

CITY OF LAKEWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the year ended December 31, 2000

Issued by the Department of Finance

Vic J. Nogalo, Director of Finance



STATE OF OHIO
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We have reviewed the Independent Auditor's Report of the City of Lakewood, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Lakewood is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

June 28, 2001

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director



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June 20, 2001

To: Honorable Mayor Madeline A. Cain,
City Council, and the Citizens of the
City of Lakewood, Ohio:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood for the year ended December 31, 2000. This report presents comprehensive financial and operating information relating to the City's activities during 2000. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation, rests with the City of Lakewood, and specifically, the Department of Finance. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The CAFR is arranged in three sections:

- * the **Introductory Section** contains the table of contents, a list of principal City officials, an organizational chart, and this transmittal letter.
- * the **Financial Section** includes the Independent Auditors' Report; the general purpose financial statements, the notes to these financial statements; and more detailed combining and individual fund and account group statements and schedules.
- * the **Statistical Section** includes select financial, economic and demographic information about the City, which may be used to indicate trends for comparative fiscal periods.



The Reporting Entity

In evaluating the definition of the governmental reporting entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity."* The City's financial statements include all organizations, activities, and component units for which the City (primary government) is financially accountable. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The City's financial reporting entity includes all funds, account groups, agencies, boards and commissions that are part of the primary government, including: police and fire protection; waste collection; water and sewer service; street maintenance; street construction; cultural activities; community development and planning; and parks and recreation facilities. The City also offers extensive services for its youth and senior citizens.

The following entities are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities. Therefore, these entities have been excluded from the financial reporting entity.

- Lakewood Hospital, a full service, short-term, acute-care general hospital, is located in the center of the City. Lakewood Hospital employs 1,400 people making it the largest employer within the City.
- The Board of Education of the Lakewood City School District is a separate political sub-division of the State, the territorial boundaries of which are conterminous with the City limits. The Lakewood Board of Education provides public education for grades 1 through 12 and is the second largest employer within the City employing 1,200 employees.

City of Lakewood

Lakewood is located along the shores of Lake Erie, five miles west of downtown Cleveland. The City's 5.6 square miles are comprised primarily of a vintage residential community offering diversity in housing from modest single homes and apartments to luxury "Gold Coast" condominiums and homes of distinct architectural design located within a national historic district. Single-family structures comprise 74% of the housing stock. Lakewood is recognized for its tree-lined streets, excellent school system, and outstanding City services. The 2000 U.S. Census shows the population to be 56,646, making it the 14th largest city in Ohio.

The City operates under a City Charter that provides for a Mayor/Council form of government. Legislative authority is vested in a seven member council (three at-large and one for each of four wards in the City). Council members are elected for a four-year term. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations and indebtedness, licensing of regulated trades, and other municipal purposes. The City's Chief Executive Officer is the Mayor, who is elected by the voters for a four-year term.

Economic Condition and Outlook

Lakewood's economy reflects the same positive direction of healthy economic growth enjoyed by Greater Cleveland and Ohio over the past several years. The City recently was assigned a Aa3 rating with a positive outlook by Moody's Investors Service. The rating reflects the City's strong fiscal operations and practices and favorable financial position as demonstrated through fund balance reserves and the City's maintenance of affordable debt levels. Moody's currently rates only 19 of 157 Ohio cities higher than the City of Lakewood.

From 1996 through 2000, the annual average growth in income tax collections totaled 4.0%. The City's income tax revenues have remained consistent due to the stability of major employers located within the City. The City's top three employers (Lakewood Hospital, Lakewood Board of Education and the City of Lakewood) comprise 24% of the City's total withholding income tax. Income tax collections, reported on the budgetary basis of accounting, for the last five years were:

Year	Income Tax Collections
1996	\$13,308,898
1997	\$14,011,296
1998	\$14,643,658
1999	\$15,230,142
2000	\$15,618,585

Lakewood is home to approximately 1,100 businesses and agencies that employ over 31,000 people. Downtown Lakewood continues to remain a competitive location for office tenants seeking an attractive urban setting, offering office space with retail and service amenities within convenient walking distance. The four major office buildings in downtown Lakewood currently have an occupancy rate of 85%, which is equal to the average occupancy rate for the suburban Greater Cleveland office market.

Census data indicates strong demographics relating to the occupations and income of Lakewood residents. Over 42% of employed residents above the age of 16 held jobs in professional, executive, administrative and managerial positions. Approximately 20% of Lakewood residents work within the City boundaries, 32% work in Cleveland, and 48% work in other greater Cleveland suburbs.

The unemployment rate for Lakewood residents is consistently below the County, State and National level. Comparative unemployment rates for the months of January 2000, January 2001 and February 2001 are shown below:

	<u>January 2000</u>	<u>January 2001</u>	<u>February 2001</u>
City	3.1%	3.0%	2.7%
County	4.9%	4.7%	4.2%
State	4.7%	4.9%	4.3%
Nation	4.5%	4.7%	4.6%

The increasing value of real property in Lakewood demonstrates the stability of the City's tax base. Properties in Lakewood were reappraised by the County Auditor in 2000 as part of a sexennial reappraisal mandated by the State of Ohio. The average residential fair market value of a Lakewood property rose 15.0%. This increase is greater than the County-wide increase of 13.1%. The impact of this increase will be recognized in property tax revenues received during fiscal year 2001.

Another key indicator of Lakewood’s continuing economic strength is the investment activity in its residential and commercial construction, as measured by the construction value of building permits issued. The following table shows the number of building permits issued by the City during the period from 1996 through 2000 and the estimated cost of new construction, alterations, and repairs authorized:

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Estimated Construction Value</u>
1996	3,547	\$13,657,463
1997	3,622	\$12,507,996
1998	3,807	\$18,734,237
1999	3,266	\$17,017,253
2000	3,333	\$18,536,173

The estimated combined value of residential and commercial construction has increased significantly in recent years. The 2000 building permit data indicates that over \$8.5 million were invested in the maintenance and improvement of residential properties by property owners. This reflects the substantial commitment of property owners to invest and maintain the value of their homes. Business owners invested over \$7.5 million in the year 2000 in new construction and alterations to commercial properties.

Lakewood Hospital is currently renovating and expanding its acute-care emergency room facility. Lakewood Hospital Association, which is a part of the Cleveland Clinic Health System, estimates the cost of the expansion to be \$6.5 million. In 2000, the City assisted St. Edward High School in financing a portion of its \$15 million renovation and expansion project through the issuance of tax-exempt Educational Facilities Revenue Bonds. The City issued \$10.8 million of conduit debt on behalf of the school to provide funding for a new student activities center, the renovation of current educational and athletic facilities, and the construction of a new student life and leadership center.

Other recent successes in business attraction, expansion and retention include:

- the retention of one of the City’s largest employers, the United Transportation Union, with the renewal of a long-term lease in downtown Lakewood;
- the attraction of two new major office tenants in downtown Lakewood resulting in approximately 60 new jobs;
- the investment of eight businesses, totaling over \$3.6 million in construction value, and resulting in almost 150 new jobs; and
- the introduction of several new national chains and other small local businesses including Walgreen’s Drugstore, Chipotle Mexican Grill, and Mueller Tire.

The City will continue its efforts to encourage economic development in 2001 through the following endeavors:

- pursuing identified redevelopment opportunities by proactively soliciting developer interest for a neighborhood shopping center over a 12-acre block in the southeast section of the City;
- actively working to promote the development of vacant land along the City’s industrial corridor; and
- coordinating with Cuyahoga County, City of Cleveland and the local transit authority to redesign the intersection that serves as the entry point into the business district to improve vehicular and pedestrian traffic flow.

Major Initiatives

The City's 2000 operating budget focused on providing high quality services to residents and businesses. The budget provided funding for numerous programs that enhance the safety of the City's neighborhoods and strengthen the community. These projects provided for the continuous delivery of services and operations through the year while also improving the operational efficiency of numerous departments and divisions.

During 2000, the City was successful in obtaining zero-interest loan financing from the State of Ohio to support water main replacements and street reconstruction. The loan financing for these projects totaled \$1,426,391. The City has aggressively and successfully captured over \$8 million in State of Ohio Issue 2 infrastructure grants and zero-interest loans since 1997 as indicated below:

<u>Zero Percent Interest Issue 2 Loans:</u>	<u>Year Awarded</u>	<u>Amount Awarded</u>	<u>Amount Obligated</u>
Forest and Clifton Road Reconstruction	1997	\$ 616,000	\$ 616,000
1997 Water Main Replacements	1997	1,349,700	1,248,464
1998 Water Main Replacements	1998	2,108,906	1,944,013
Edgewater Drive Sewer Repair	1999	654,057	564,602 *
West Clifton Storm Sewer Repair	1999	115,101	85,461
2000 Water Main Replacements	2000	1,193,831	288,635 *
Lakewood Heights Blvd. Reconstruction	2000	232,560	0 *
2001 Water Main Replacements	2001	<u>1,800,000</u>	<u>0</u> *
		\$ 8,070,155	\$ 4,747,175

* The State of Ohio Issue 2 program issues payments to the contractors selected by the City to complete the construction projects. Upon completion of the project, the State prepares an amortization schedule for the repayment of principal required to complete the construction. At December 31, 2000, these projects were still in progress and amounts obligated by the City have not been finalized.

This year marked the first full year of City-operated emergency medical service. Prior to October 1999, the City reimbursed Lakewood Hospital for providing emergency medical services. This reimbursement ranged from \$400,000 to \$550,000 in City dollars annually. In October of 1999, the City of Lakewood Division of Fire absorbed the Lakewood Hospital EMS program, added an additional advanced life support EMS squad and doubled the number of trained emergency medical responders. This change has resulted in savings to the City of approximately \$200,000 annually.

On November 7, 2000, Lakewood voters approved the "Second Amended Charter". The Charter change permits the City to issue bonds to retire the City's accrued liability of \$7,553,295 owed to the Police and Firemen's Disability and Pension Fund (PFDPF). The PFDPF has offered municipalities the ability to fully retire the accrued liability by paying a lump sum equal to 72.5% of the remaining liability.

Financial Information

Management of the City of Lakewood is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

The City of Lakewood, as a recipient of federal financial assistance, is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the United States Office of Management and Budget Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations.*" The single audit includes the Schedule of Federal Awards Expenditures, findings and recommendations, and the auditor's reports on internal control structure and compliance with applicable laws and regulations. As a part of Lakewood's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs.

The results of the City's single audit for the fiscal year ended December 31, 1999 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The City anticipates no significant findings for 2000. The single audit report is separate from this comprehensive annual financial report and is available from the City.

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. On or before the fifteenth day of November in each year, the Mayor, Director of Public Works and Director of Finance shall submit an appropriation budget to Council for the following year. The Council must adopt a permanent appropriation measure for the fiscal year by April 1. Additionally, the Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City's budget is legally adopted and controlled on a budget basis; therefore, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) reports actual cash revenues and expenditures (including encumbrances) compared to budgeted amounts. The City maintains budgetary control on a non-GAAP basis at the fund level. Estimated expenditure amounts are encumbered prior to the release of a purchase order to vendors or the finalization of other contracts. Encumbrances which would exceed available fund budget levels are not approved until the City Council approves additional appropriations. Any encumbrances that remain open at the end of the year are reported as a reserve of fund balance. Unencumbered appropriations lapse at year end.

In addition to the budgetary controls noted above, City ordinances require that all professional service contracts in excess of \$5,000 be authorized by City Council. All contracts in excess of \$7,500 must be authorized by Council and approved by the Board of Control comprised of the Mayor, and the Directors of the Law Department, the Finance Department, and the Public Works Department.

Accounting System

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The types of funds utilized are defined by generally accepted accounting principles. The City maintains separate funds for those required by law and for sound financial administration.

The Governmental and Fiduciary Fund Types of the City are maintained on a modified accrual basis of accounting. Revenues and related receivables are recognized when measurable and available. Expenditures, except for principal and interest on long-term obligations, are recorded as fund liabilities when incurred. The accrual basis of accounting is utilized by all Proprietary Funds. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Combined Financial Statements.

Governmental Funds

The following schedule presents a summary of Governmental Fund revenues on a GAAP basis, including the increases (decreases) over the prior year, for the year ended December 31, 2000.

	2000 GAAP BASIS REVENUES				
	All Governmental Funds				
	2000 Actual	Percent of Total	1999 Actual	Percent of Total	Percent Increase (Decrease)
Revenues					
Taxes	\$ 26,402,731	59.59%	\$ 26,034,232	59.54%	1.41 %
Licenses and permits	632,935	1.43%	631,768	1.44%	.18 %
Intergovernmental	10,538,724	23.79%	11,658,560	26.67%	(9.61)%
Charges for services	2,415,852	5.45%	1,648,298	3.77%	46.57 %
Fines and forfeits	1,180,221	2.66%	1,237,830	2.83%	(4.65)%
Special assessments	96,663	.23%	100,171	.23%	(3.50)%
Interest	1,808,779	4.08%	1,096,232	2.51%	65.00 %
Miscellaneous	1,228,711	2.77%	1,315,096	3.01%	(6.57)%
Total revenues	\$44,304,616	100.00%	\$43,722,187	100.00%	

The largest source of revenue was derived from taxes. Tax revenues are comprised of Municipal Income Tax, Property Tax, and Gasoline Tax (recorded exclusively in the Special Revenue Funds). Municipal income tax increased in 2000 by approximately 2.6% over 1999.

Property taxes, which are the second largest tax revenue source for the City, increased slightly in 2000. This was due to the minimal change in property tax valuations experienced in 1999. Collections in 2001 will improve significantly due to the sexennial reappraisal of property completed during 2000.

During 2000, interest earnings increased significantly. This increase is the result of both substantially higher cash balances available for investment and higher interest rates experienced during the year of 2000.

The large increase in Charges for Services is attributable to the City's first full year of collections for emergency medical service transports. The City received over \$750,000 in transport revenue mainly from Medicare and private insurance companies.

The decrease in Intergovernmental revenue is due to less utilization of CDBG funding. The City postponed the reconstruction of certain streets that were to be funded with CDBG dollars until 2001. When the projects commence and expenditures are incurred, the City will draw these funds from the Federal government and record revenue. The decrease in Intergovernmental revenue also reflects the decrease in Estate and Inheritance tax revenue, which was approximately \$300,000. During 1999, collections of this revenue were inordinately high. Average revenues derived from this source have averaged \$1.2 million in previous years; however, 1999 collections exceeded \$1.5 million.

The following schedule presents a summary of Governmental Fund expenditures on a GAAP basis, including the increases (decreases) over the prior year, for the year ended December 31, 2000.

2000 GAAP BASIS EXPENDITURES					
All Governmental Funds					
	2000 Actual	Percent of Total	1999 Actual	Percent of Total	Percent Increase (Decrease)
Expenditures					
Public safety	\$ 16,041,238	36.54%	\$ 14,915,340	34.54%	7.55 %
Health	3,667,836	8.35%	3,475,385	8.05%	5.54 %
Culture and recreation	1,801,349	4.10%	1,628,933	3.77%	10.58 %
Community environment	4,356,872	9.93%	5,663,246	13.11%	(23.07)%
Sanitation	4,000,709	9.11%	4,004,465	9.27%	(.09)%
Highways and streets	2,018,050	4.60%	1,892,215	4.38%	6.65 %
General government	6,231,767	14.19%	6,133,239	14.20%	1.61 %
Capital outlay	3,087,475	7.03%	3,021,957	7.01%	2.17 %
Principal retirement	1,312,600	2.99%	1,228,000	2.84%	6.89 %
Interest and fiscal charges	1,386,699	3.16%	1,223,751	2.83%	13.31 %
Total expenditures	\$ 43,904,595	100.00%	\$ 43,186,531	100.00%	

The 2000 increase in expenditures was primarily due to: a 3.5% pay increase given to non-union City employees as well as union members of the American Federation of State, County, and Municipal Employees union; a 3.5% increase to union members of the International Association of Firefighters Local #382; and a 4.0% increase to union members of the Fraternal Order of Police Lodge #25.

Public Safety increased due to expenditures associated with the City providing emergency medical service and transport for the first full year. The decrease in Community Environment expenditures is directly attributable to postponing certain street projects within the CDBG program.

General Fund The General Fund GAAP basis fund balance for the year ended December 31, 2000 totaled \$7,440,385. This balance reflects the City's goal of providing excellent City services while maintaining an adequate fund balance to insulate the City from an economic downturn or emergency.

Special Revenue Funds The Special Revenue Funds reflect revenues of \$9.3 million dollars and net other financing sources of \$1.9 million in 2000. Expenditures and other financing uses totaled \$10.9 million. In 1999, revenues and other financing sources totaled \$11.3 million and expenditures and other financing uses totaled \$10.7 million.

Debt Service Fund The debt service payments for the City's general obligation bonds are reflected in the Debt Service Fund. The Debt Service Fund receives a portion of property taxes to provide for the City's debt service payments. A list of the debt serviced by resources available in the Debt Service Fund is reflected in Note 10 in the Notes to the Combined Financial Statements.

Capital Projects Funds The Capital Projects Funds account for all major capital improvement projects of the City other than those accounted for in the Proprietary and Special Revenue Fund Types. Approximately \$1.8 million dollars were expended from the Capital Projects Funds to finance improvements and acquisitions in 2000.

The City has developed a five-year capital improvement plan that is updated annually. Revisions to the existing plan are made based on the following criterion: the impact the project has on the preservation of existing City property and facilities; revitalization of Lakewood's neighborhoods; ability to foster economic development; and potential cost savings or improvements to operating efficiency that will result upon project completion.

Proprietary Fund Types

Enterprise Funds The City of Lakewood operates five enterprise activities including a water system, a sewer and wastewater system, parking facilities, a congregate living facility, and an ice rink facility.

The Divisions of Water and Wastewater Collection and Wastewater Treatment are responsible for the pumping, distributing and treatment of potable water to all residents of the City of Lakewood in supplies adequate to meet the fire protection, domestic and commercial needs of the community. Operating revenues generated from the water system and the sewer and wastewater system totaled \$12.1 million in 2000, compared to \$12.5 million in 1999.

The Parking Facilities Fund accounts for the revenues collected through parking meters and the costs associated with the collection of coins and maintaining the meters and guardrails located throughout the City. Operating revenues increased slightly over the prior year's collections.

The City assumed the operations of Winterhurst Ice Rink in July 1996 and established an Enterprise Fund to account for the financial activity of the facility. The City has owned this facility since its construction; however, prior to 1996, the Lakewood Board of Education managed and operated the ice rink. The year end GAAP retained earnings totaled \$43,063.

Internal Service Funds Since 1987, the City of Lakewood has maintained the General Insurance and Recreational Insurance Funds for the purpose of self-funding the City's general liability insurance program. Both funds were financed with equity transfers from the General Fund, and it is the City's intention to maintain the funds equity near \$700,000. Claims paid out since 1987 have been nominal.

The City of Lakewood elected partial self-insurance for its Workers' Compensation Fund in 1991. Since that time the City has been enrolled in the State of Ohio's Retrospective Rating Plan for workers' compensation. The City pays for actual claims in addition to a minimum premium for stop loss insurance coverage which limits the City's claim liability.

The City of Lakewood maintains an Internal Service Fund to finance the cost of employee hospitalization on a cost reimbursement basis. Of three plans offered, one plan is funded through a minimum premium agreement. According to the terms of this plan, the City is liable for an administrative premium and actual claims up to a stop loss limit. This limit, the City's deposit liability, is determined annually based on claims experience. During 2000, the City's hospitalization costs (as reported on a budget basis) increased by 8.2%.

Account Groups

General Fixed Assets Account Group The General Fixed Assets of the City of Lakewood are those used in the performance of general government functions, and therefore, exclude the fixed assets of the Enterprise Funds. Infrastructure is not recorded as an asset of the General Fixed Asset Account Group. The General Fixed Assets (in service) have increased from \$32.9 million in 1999 to \$34.5 million in 2000 primarily due to the acquisitions made through the Capital Projects Funds.

General Long-Term Obligation Account Group The General Long-Term Obligation Account Group is used to account for the City's long-term debt obligations of its Governmental Fund Types. Principal and interest payments for Enterprise Fund debt is accounted for within the Enterprise Funds. Long-term debt obligations of Governmental Fund Types increased from \$21.4 million in 1999 to \$23.0 million in 2000.

Cash Management

The City of Lakewood's investment policy includes minimizing credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or surety bonds, collateralized, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 110% of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation or any other agency or instrumentality of the Federal Government. All collateral on deposits was held by an agent of the financial institution's trust department, but not in the City of Lakewood's name.

The City's investment policy includes the following obligations as eligible investments: obligations of the U.S. government (including bills and notes); obligations of instrumentalities of the U.S. Government; investment in the Ohio State Treasurer's Asset Reserve Fund (STAR Ohio); certificates of deposits with eligible institutions; bonds and other obligations of the State of Ohio; and repurchase agreements with eligible institutions.

Other Information

Independent Audit State statutes require an annual audit by the Auditor of State or by a designated independent certified public accounting firm. This year's audit was completed by Ciuni and Panichi, Inc. The City of Lakewood has received an unqualified opinion from Ciuni and Panichi, Inc. for 2000 and the opinion is contained herein.

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City of Lakewood, Ohio has received a Certificate of Achievement for the last 18 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments The preparation of this report on a timely basis could not have been accomplished without the dedicated service of the staff of the Department of Finance. I would like to express my appreciation to all staff members who have assisted and contributed in its preparation. I would also like to thank the Mayor and Members of City Council, for, without their continued support, the Department of Finance could not have continued the financial management practices required to ensure the fiscal integrity of the City. Additionally, I express gratitude to Ciuni and Panichi, Inc. for their efforts and professional conduct throughout the audit engagement.

Respectfully Submitted,

Vic J. Nogalo
Director of Finance

Susan Nobilio
Assistant Director of Finance

CITY OF LAKEWOOD, OHIO
2000 Elected Officials

Mayor Madeline A. Cain
Municipal Court Judge Patrick Carroll
City Council At Large Edward FitzGerald
City Council At Large Pamela J. Smith
City Council At Large Michael J. Skindell

City Council by Wards:

Ward 1 Brian T. Corrigan
Ward 2 Thomas J. George
Ward 3 Robert M. Seelie, Council President
Ward 4 Nancy J. Roth

CITY OF LAKEWOOD, OHIO
2000 Appointed Officials

Office of the Mayor

Executive Assistant to the Mayor Sheila Harrison

Office of Council

Clerk of Council Mary Hagan

Municipal Court

Clerk of Courts Richard L. Gray
Magistrates Thomas O'Malley and Terease Neff

Department of Law

Director of Law Kevin Spellacy

Department of Finance

Director of Finance Vic J. Nogalo

Department of Public Works

Director of Public Works David M. McGuirk

Department of Public Safety

Assistant Director of Housing and Building Lisa Thomas
Chief of Fire Lawrence E. Mroz
Chief of Police Dan R. Clark

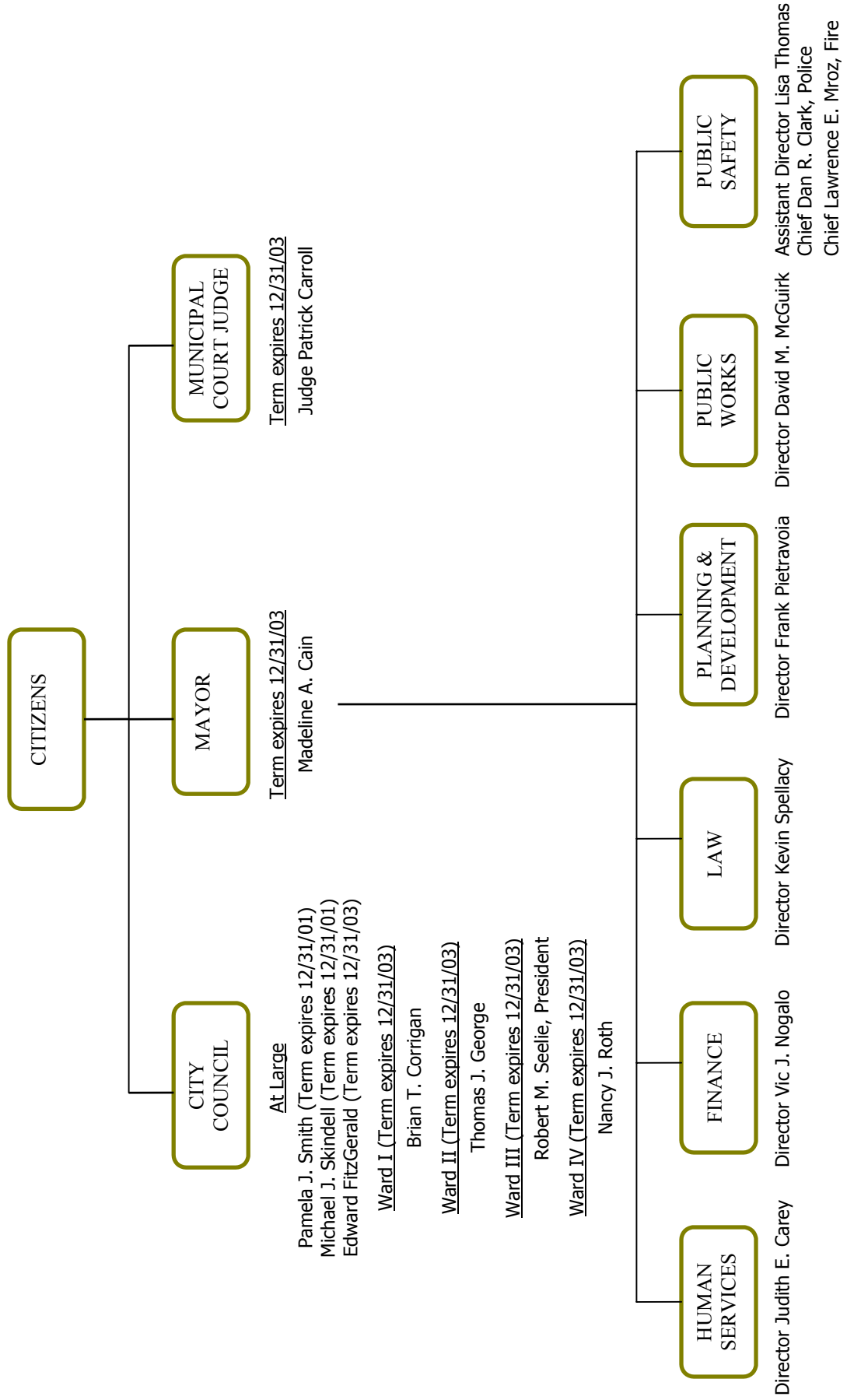
Department of Human Services

Director of Human Services Judith E. Carey
Health Commissioner Dr. Virginia A. Evans

Department of Planning and Community Development

Director of Planning and Development Frank Pietravoia

CITY OF LAKEWOOD, OHIO
 Organizational Chart
 as of December 31, 2000



CITY OF LAKEWOOD, OHIO
Financial Section



Creating economic value through
knowledge, innovation, commitment, and service

CIUNI & PANICHI
INC.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM

INDEPENDENT AUDITORS' REPORT

Members of the City Council of the
City of Lakewood, Ohio

We have audited the accompanying general-purpose financial statements of the City of Lakewood, Ohio, as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Lakewood's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lakewood, Ohio as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2001 on our consideration of the City of Lakewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Lakewood, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 6, 2001

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CITY OF LAKEWOOD, OHIO
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 2000

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets						
Cash and cash equivalents	\$ 199,732	\$ 2,957,572	\$ 1,257,978	\$ 2,353,062	\$ 891,034	\$ 161,337
Investments	5,947,364				5,942,343	2,758,974
Receivables						
Taxes	8,792,287	2,289,474	2,498,263		1,439,921	
Accounts		183,612			1,603,206	
Special assessments		1,819	154,342	137,214		
Loans		3,433,002				
Other	411,460	29,351			5,456	17,499
Less allowance for doubtful accounts					(58,026)	
Receivables, net	9,203,747	5,937,258	2,652,605	137,214	2,990,557	17,499
Due from other funds	567,276		669,823	200,900	270,067	1,015,069
Due from other governments	67,851	283,683				
Prepaid items	163,268	11,070				29,943
Inventories		45,404				
Restricted cash					755,412	
Deferred bond issuance costs					345,191	
Fixed assets						
Land and land improvements					2,659,166	
Utility plant in service					55,847,093	
Buildings, structures, and improvements					4,957,496	
Machinery and equipment					9,428,876	
Construction in progress					3,769,820	
Less accumulated depreciation					(25,337,072)	
Fixed assets, net					51,325,379	
Other Debits						
Amount available for retirement of general long-term debt						
Amount to be provided for retirement of general long-term obligations						
Debt						
Other obligations						
Total assets and other debits	\$ 16,149,238	\$ 9,234,987	\$ 4,580,406	\$ 2,691,176	\$ 62,519,983	\$ 3,982,822

See Notes to Financial Statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligation	2000	1999
Agency				
\$ 870,358			\$ 8,691,073	\$ 7,992,709
			14,648,681	13,532,009
			15,019,945	13,244,793
			1,786,818	1,695,416
			293,375	314,252
			3,433,002	3,500,012
			463,766	445,290
			(58,026)	(57,456)
			20,938,880	19,142,307
			2,723,135	2,619,386
			351,534	446,248
			204,281	161,847
			45,404	95,139
			755,412	717,036
			345,191	373,215
	\$ 2,999,352		5,658,518	5,586,892
			55,847,093	52,843,120
	16,288,533		21,246,029	21,152,281
	14,259,618		23,688,494	22,539,133
	918,347		4,688,167	4,746,840
			(25,337,072)	(23,899,783)
	34,465,850		85,791,229	82,968,483
		\$ 2,023,608	2,023,608	1,978,231
		20,965,192	20,965,192	19,971,969
		10,300,676	10,300,676	10,244,948
\$ 870,358	\$ 34,465,850	\$ 33,289,476	\$ 167,784,296	\$ 160,243,527

CITY OF LAKEWOOD, OHIO
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 2000

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES						
Accounts payable	\$ 456,957	\$ 422,713		\$ 390,234	\$ 936,559	\$ 4,202
Claims payable						
Due to other funds	799,113	756,544		967,624	199,854	
Due to other governments	193,492				345,316	
Accrued wages and benefits	1,267,453	178,879			336,256	
Accrued interest					222,399	
Reserve for claims						1,896,848
Capital lease obligations						
Other liabilities						
Deferred revenue	5,991,838	2,205,235	\$ 2,556,798	137,214	1,385,396	
Debt						
Loans payable					4,035,402	
Notes payable				829,000		
Special assessment bonds payable with government commitment						
General obligation bonds payable net of unamortized deferral on advanced refunding					14,269,587	
Total debt				829,000	18,304,989	
Total liabilities	8,708,853	3,563,371	2,556,798	2,324,072	21,730,769	1,901,050
EQUITY AND OTHER CREDITS						
Investment in general fixed assets						
Contributed capital - City of Lakewood					14,909,202	750,000
Retained earnings						
Unreserved					25,880,012	1,331,772
Total retained earnings					25,880,012	1,331,772
Fund balances						
Reserved for loans receivable		3,433,002				
Reserved for inventories		45,404				
Reserved for prepaid items	163,268	11,070				
Reserved for encumbrances	422,902	1,277,165		1,141,823		
Undesignated and unreserved	6,854,215	904,975	2,023,608	(774,719)		
Total fund balances	7,440,385	5,671,616	2,023,608	367,104		
Total equity and other credits	7,440,385	5,671,616	2,023,608	367,104	40,789,214	2,081,772
Total liabilities, equity and other credits	<u>\$ 16,149,238</u>	<u>\$ 9,234,987</u>	<u>\$ 4,580,406</u>	<u>\$ 2,691,176</u>	<u>\$ 62,519,983</u>	<u>\$ 3,982,822</u>

See Notes to Financial Statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligation	2000	1999
Agency			\$ 2,210,665	\$ 2,310,553
				13,612
			2,723,135	2,619,386
			538,808	558,323
		\$ 9,564,667	11,347,255	11,897,961
			222,399	232,775
			1,896,848	1,841,940
		166,209	166,209	164,439
\$ 870,358			870,358	369,085
			12,276,481	10,813,218
		569,800	4,605,202	3,486,973
		2,921,000	3,750,000	3,445,000
		181,200	181,200	245,600
		19,886,600	34,156,187	36,190,640
		23,558,600	42,692,589	43,368,213
870,358		33,289,476	74,944,747	74,189,505
	\$ 34,465,850		34,465,850	32,906,177
			15,659,202	16,120,666
			27,211,784	24,978,003
			27,211,784	24,978,003
			3,433,002	3,500,012
			45,404	95,139
			174,338	148,102
			2,841,890	1,798,990
			9,008,079	6,506,933
			15,502,713	12,049,176
	34,465,850		92,839,549	86,054,022
\$ 870,358	\$ 34,465,850	\$ 33,289,476	\$ 167,784,296	\$ 160,243,527

CITY OF LAKEWOOD, OHIO
 Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances (Deficit) - All Governmental Fund Types
 For the year ended December 31, 2000

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2000	1999
Revenues						
Taxes	\$ 21,495,682	\$ 2,678,808	\$ 2,228,241		\$ 26,402,731	\$ 26,034,232
Licenses and permits	586,032	46,903			632,935	631,768
Intergovernmental	6,260,603	3,965,343	312,778		10,538,724	11,658,560
Charges for services	450,501	1,965,351			2,415,852	1,648,298
Fines and forfeits	1,085,734	94,487			1,180,221	1,237,830
Special assessments	443	4,664	20,161	\$ 71,395	96,663	100,171
Interest	1,636,919	101,108	70,752		1,808,779	1,096,232
Miscellaneous	781,167	437,694	9,850		1,228,711	1,315,096
Total revenues	32,297,081	9,294,358	2,641,782	71,395	44,304,616	43,722,187
Expenditures						
Current						
Public safety	12,585,261	3,455,977			16,041,238	14,915,340
Health	1,463,708	2,204,128			3,667,836	3,475,385
Culture and recreation	1,792,203	9,146			1,801,349	1,628,933
Community environment	2,055,710	2,301,162			4,356,872	5,663,246
Sanitation	4,000,709				4,000,709	4,004,465
Highways and streets		2,018,050			2,018,050	1,892,215
General government	6,108,704	95,281	27,782		6,231,767	6,133,239
Capital outlay	431,217	860,408		1,795,850	3,087,475	3,021,957
Debt service						
Principal retirement			1,277,600	35,000	1,312,600	1,228,000
Interest and fiscal charges			1,378,786	7,913	1,386,699	1,223,751
Total expenditures	28,437,512	10,944,152	2,684,168	1,838,763	43,904,595	43,186,531
Excess of revenues over (under) expenditures	3,859,569	(1,649,794)	(42,386)	(1,767,368)	400,021	535,656
Other financing sources (uses)						
Proceeds of general obligation notes				2,921,000	2,921,000	
Capital lease resources	132,516				132,516	167,070
Operating transfers, in	7,000	1,918,887	2,612,103	2,992,340	7,530,330	3,303,856
Operating transfers, out	(3,788,772)	(9,455)	(2,524,340)	(1,207,763)	(7,530,330)	(3,303,856)
Net other financing sources (uses)	(3,649,256)	1,909,432	87,763	4,705,577	3,053,516	167,070
Excess of revenues and other sources over expenditures and other uses	210,313	259,638	45,377	2,938,209	3,453,537	702,726
Fund balances (deficit), January 1	7,230,072	5,411,978	1,978,231	(2,571,105)	12,049,176	11,346,450
Fund balances, December 31	\$ 7,440,385	\$ 5,671,616	\$ 2,023,608	\$ 367,104	\$ 15,502,713	\$ 12,049,176

See Notes to Financial Statements

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CITY OF LAKEWOOD, OHIO
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types
 For the year ended December 31, 2000

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 21,103,355	\$ 21,195,058	\$ 91,703	\$ 3,133,550	\$ 3,163,590	\$ 30,040
Licenses and permits	610,000	586,032	(23,968)	47,615	46,903	(712)
Intergovernmental	5,873,087	6,260,432	387,345	7,038,829	4,296,898	(2,741,931)
Charges for services	435,000	450,628	15,628	1,566,010	1,875,602	309,592
Fines and forfeits	1,200,000	1,085,592	(114,408)	97,500	93,479	(4,021)
Special assessments					2,039	2,039
Interest	950,000	1,302,147	352,147	900	445	(455)
Miscellaneous	815,000	780,740	(34,260)	257,076	270,351	13,275
Total revenues	30,986,442	31,660,629	674,187	12,141,480	9,749,307	(2,392,173)
Expenditures						
Current						
Public safety	12,140,551	11,665,214	475,337	3,492,765	3,387,852	104,913
Health	1,449,356	1,244,925	204,431	2,232,736	2,220,947	11,789
Culture and recreation	1,739,365	1,679,418	59,947	10,000	9,146	854
Community environment	2,070,443	1,882,428	188,015	5,415,808	3,714,747	1,701,061
Highways and streets	3,810,532	3,682,849	127,683	2,673,847	2,463,794	210,053
General government	6,085,562	5,763,695	321,867	65,000	79,073	(14,073)
Capital outlay						
Debt service						
Total expenditures	27,295,809	25,918,529	1,377,280	13,890,156	11,875,559	2,014,597
Excess of revenues over (under) expenditures	3,690,633	5,742,100	2,051,467	(1,748,676)	(2,126,252)	(377,576)
Other financing sources (uses)						
Proceeds from general obligation notes				221,000	191,791	(29,209)
Other reimbursements				2,018,887	1,918,887	(100,000)
Operating transfers, in	7,000	7,000		(351,231)	(269,178)	82,053
Operating transfers, out	(6,397,604)	(5,931,709)	465,895			
Net other financing sources (uses)	(6,390,604)	(5,924,709)	465,895	1,888,656	1,841,500	(47,156)
Excess of revenues and other sources over (under) expenditures and other uses	(2,699,971)	(182,609)	2,517,362	139,980	(284,752)	(424,732)
Decertification of prior year encumbrances		64,253	64,253		63,734	63,734
Fund balances, January 1	5,662,928	5,662,928		1,410,200	1,410,200	
Fund balances, December 31	\$ 2,962,957	\$ 5,544,572	\$ 2,581,615	\$ 1,550,180	\$ 1,189,182	\$ (360,998)

See Notes to Financial Statements

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,204,673	\$ 2,232,219	\$ 27,546				\$ 26,441,578	\$ 26,590,867	\$ 149,289
						657,615	632,935	(24,680)
289,300	294,210	4,910	\$ 258,400		\$ (258,400)	13,459,616	10,851,540	(2,608,076)
						2,001,010	2,326,230	325,220
						1,297,500	1,179,071	(118,429)
25,211	18,954	(6,257)	45,204	\$ 71,395	26,191	70,415	92,388	21,973
60,000	70,752	10,752				1,010,900	1,373,344	362,444
						1,072,076	1,051,091	(20,985)
2,579,184	2,616,135	36,951	303,604	71,395	(232,209)	46,010,710	44,097,466	(1,913,244)
						15,633,316	15,053,066	580,250
						3,682,092	3,465,872	216,220
						1,749,365	1,688,564	60,801
						7,486,251	5,597,175	1,889,076
						6,484,379	6,146,643	337,736
50,000	27,782	22,218				6,200,562	5,870,550	330,012
			4,067,508	2,452,721	1,614,787	4,067,508	2,452,721	1,614,787
11,392,602	10,971,386	421,216	42,913	42,912	1	11,435,515	11,014,298	421,217
11,442,602	10,999,168	443,434	4,110,421	2,495,633	1,614,788	56,738,988	51,288,889	5,450,099
(8,863,418)	(8,383,033)	480,385	(3,806,817)	(2,424,238)	1,382,579	(10,728,278)	(7,191,423)	3,536,855
6,910,660	5,800,510	(1,110,150)	2,829,340	2,829,340		9,740,000	8,629,850	(1,110,150)
19,328	18,568	(760)		1,531	1,531	240,328	211,890	(28,438)
1,539,311	2,612,103	1,072,792	113,000	468,000	355,000	3,678,198	5,005,990	1,327,792
			(87,763)	(1,207,763)	(1,120,000)	(6,836,598)	(7,408,650)	(572,052)
8,469,299	8,431,181	(38,118)	2,854,577	2,091,108	(763,469)	6,821,928	6,439,080	(382,848)
(394,119)	48,148	442,267	(952,240)	(333,130)	619,110	(3,906,350)	(752,343)	3,154,007
				143,545	143,545		271,532	271,532
1,209,830	1,209,830		1,010,591	1,010,591		9,293,549	9,293,549	
\$ 815,711	\$ 1,257,978	\$ 442,267	\$ 58,351	\$ 821,006	\$ 762,655	\$ 5,387,199	\$ 8,812,738	\$ 3,425,539

CITY OF LAKEWOOD, OHIO
 Combined Statement of Revenues, Expenses and Changes in Retained Earnings -
 All Proprietary Fund Types
 For the year ended December 31, 2000

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
Operating revenues				
Charges for services	\$ 13,249,456	\$ 3,238,958	\$ 16,488,414	\$ 16,235,235
Other operating revenue	3,640		3,640	413,170
Total operating revenues	13,253,096	3,238,958	16,492,054	16,648,405
Operating expenses				
Personal services	2,764,111		2,764,111	2,716,340
Benefit payments	665,600	2,978,425	3,644,025	3,468,319
Purchased water	5,223,355		5,223,355	5,329,862
Heat, light, and power	714,674		714,674	638,160
Contractual services	149,134		149,134	218,182
Supplies and materials	566,645		566,645	603,024
Depreciation	1,443,290		1,443,290	1,724,226
Other	848,741	31,094	879,835	1,035,656
Total operating expenses	12,375,550	3,009,519	15,385,069	15,733,769
Operating income	877,546	229,439	1,106,985	914,636
Nonoperating revenues (expenses)				
Interest income	57,369	48,756	106,125	56,488
Interest expense and fiscal charges	(894,656)		(894,656)	(943,525)
Tax revenue	1,284,290		1,284,290	1,282,377
Intergovernmental	169,573		169,573	168,842
Net nonoperating revenues	616,576	48,756	665,332	564,182
Net income	1,494,122	278,195	1,772,317	1,478,818
Depreciation on fixed assets acquired by contributed capital	461,464		461,464	590,637
Increase in retained earnings	1,955,586	278,195	2,233,781	2,069,455
Retained earnings, January 1	23,924,426	1,053,577	24,978,003	22,908,548
Retained earnings, December 31	<u>\$ 25,880,012</u>	<u>\$ 1,331,772</u>	<u>\$ 27,211,784</u>	<u>\$ 24,978,003</u>

See Notes to Financial Statements

CITY OF LAKEWOOD, OHIO
 Combined Statement of Cash Flows - All Proprietary Fund Types
 For the year ended December 31, 2000

	Proprietary Fund Types		Totals	
			(Memorandum Only)	
	Enterprise	Internal Service	2000	1999
Cash flows from operating activities				
Cash received from customers	\$ 13,215,778	\$ 2,826,120	\$ 16,041,898	\$ 16,334,699
Cash paid to suppliers for goods and services	(6,587,970)	(2,711,519)	(9,299,489)	(9,915,723)
Cash paid to employees for services	(3,488,663)		(3,488,663)	(3,361,611)
Other operating revenues	16,340		16,340	20,830
Other operating expenses	(1,096,336)		(1,096,336)	(896,551)
Net cash provided by operating activities	<u>2,059,149</u>	<u>114,601</u>	<u>2,173,750</u>	<u>2,181,644</u>
Cash flows from non-capital financing activities				
Intergovernmental revenue	169,574		169,574	168,842
Tax revenue	<u>1,286,581</u>		<u>1,286,581</u>	<u>1,284,822</u>
Net cash provided by non-capital financing activities	<u>1,456,155</u>		<u>1,456,155</u>	<u>1,453,664</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1,524,289)		(1,524,289)	(1,437,658)
Principal paid on bonds and notes	(884,789)		(884,789)	(878,087)
Interest and fiscal charges paid on bonds and notes	<u>(846,736)</u>		<u>(846,736)</u>	<u>(899,852)</u>
Net cash used for capital and related financing activities	<u>(3,255,814)</u>		<u>(3,255,814)</u>	<u>(3,215,597)</u>
Cash flows from investing activities				
Earnings on investments	57,369	24,471	81,840	79,506
Purchases of investments	(5,942,343)	(2,748,956)	(8,691,299)	(8,206,955)
Proceeds of investments	<u>5,764,963</u>	<u>2,441,992</u>	<u>8,206,955</u>	<u>4,481,013</u>
Net cash used for investing activities	<u>(120,011)</u>	<u>(282,493)</u>	<u>(402,504)</u>	<u>(3,646,436)</u>
Net increase (decrease) in cash and cash equivalents	139,479	(167,892)	(28,413)	(3,226,725)
Cash and cash equivalents, January 1	<u>1,506,967</u>	<u>329,229</u>	<u>1,836,196</u>	<u>5,062,921</u>
Cash and cash equivalents, December 31	<u>\$ 1,646,446</u>	<u>\$ 161,337</u>	<u>\$ 1,807,783</u>	<u>\$ 1,836,196</u>

See Notes to Financial Statements

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CITY OF LAKEWOOD, OHIO
 Combined Statement of Cash Flows - All Proprietary Fund Types
 For the year ended December 31, 2000

	Proprietary Fund Types		Totals	
	Enterprise	Internal Service	(Memorandum Only)	
			2000	1999
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 877,546	\$ 229,439	\$ 1,106,985	\$ 914,636
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,443,290		1,443,290	1,724,226
Increase in allowance for doubtful accounts	4,232		4,232	2,812
Change in assets and liabilities				
Increase in accounts receivable	(15,522)		(15,522)	(26,331)
(Increase) decrease in other receivables	(5,456)		(5,456)	2,155
Increase in due from other funds		(144,138)	(144,138)	(268,580)
Increase in prepaid items		(16,198)	(16,198)	(751)
Increase in due to other funds	24,698		24,698	31,063
Increase (decrease) in accounts payable	(196,085)	4,202	(191,883)	37,331
Increase (decrease) in claims payable		(13,612)	(13,612)	13,612
Increase (decrease) in accrued wages and benefits	(73,554)		(73,554)	12,859
Increase (decrease) in reserve for claims		54,908	54,908	(261,388)
Total adjustments	1,181,603	(114,838)	1,066,765	1,267,008
Net cash provided by operating activities	<u>\$ 2,059,149</u>	<u>\$ 114,601</u>	<u>\$ 2,173,750</u>	<u>\$ 2,181,644</u>
Reconciliation of cash and cash equivalents				
Per the balance sheet				
Cash and cash equivalents	\$ 891,034	\$ 161,337	\$ 1,052,371	\$ 1,119,160
Restricted cash	755,412		755,412	717,036
Cash and cash equivalents per statement of cash flows	<u>\$ 1,646,446</u>	<u>\$ 161,337</u>	<u>\$ 1,807,783</u>	<u>\$ 1,836,196</u>
Supplemental schedule of non-cash activities				
Non-cash capital and related financing activities				
Fixed assets acquired by payments made by others on behalf of the City	\$ 1,166,978		\$ 1,166,978	\$ 742,167
Total non-cash capital and related financing activities	<u>1,166,978</u>		<u>1,166,978</u>	<u>742,167</u>
Non-cash investing activities				
Net change in fair value of investments		\$ 10,018	10,018	(9,158)
Total non-cash investing activities		<u>10,018</u>	<u>10,018</u>	<u>(9,158)</u>
Total non-cash transactions	<u>\$ 1,166,978</u>	<u>\$ 10,018</u>	<u>\$ 1,176,996</u>	<u>\$ 733,009</u>

See Notes to Financial Statements

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CITY OF LAKEWOOD, OHIO
 Combined Statement of Revenues, Expenses and Changes in Fund Equity -
 Budget and Actual (Non-GAAP Budgetary Basis) - All Proprietary Fund Types
 For the year ended December 31, 2000

	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 1,270,704	\$ 1,286,581	\$ 15,877			
Intergovernmental	166,740	169,575	2,835			
Charges for services	14,035,713	13,231,121	(804,592)			
Special assessments	1,000		(1,000)			
Interest	45,000	57,369	12,369	\$ 21,000	\$ 24,471	\$ 3,471
Total revenues	15,519,157	14,744,646	(774,511)	21,000	24,471	3,471
Expenses						
Current						
Health	10,920	8,795	2,125			
Culture and recreation	820,975	764,213	56,762	10,000		10,000
Community environment				50,000	3,385	46,615
Sanitation	10,731,768	9,718,556	1,013,212			
Highways and streets	266,257	252,079	14,178			
General government				3,664,276	2,695,015	969,261
Capital outlay	1,977,514	1,413,039	564,475			
Debt service	1,878,851	1,727,419	151,432			
Total expenses	15,686,285	13,884,101	1,802,184	3,724,276	2,698,400	1,025,876
Excess of revenues over (under) expenses	(167,128)	860,545	1,027,673	(3,703,276)	(2,673,929)	1,029,347
Other financing sources (uses)						
Other reimbursements	1,000	13,704	12,704	110,000	120,978	10,978
Operating transfers, in				3,562,221	2,705,142	(857,079)
Operating transfers, out	(403,821)	(302,480)	101,341			
Net other financing sources (uses)	(402,821)	(288,776)	114,045	3,672,221	2,826,120	(846,101)
Excess of revenues and other sources over (under) expenses and other uses	(569,949)	571,769	1,141,718	(31,055)	152,191	183,246
Decertification of prior year encumbrances		44,761	44,761		1,125	1,125
Fund equity, January 1	5,981,823	5,981,823		2,737,122	2,737,122	
Fund equity, December 31	\$ 5,411,874	\$ 6,598,353	\$ 1,186,479	\$ 2,706,067	\$ 2,890,438	\$ 184,371

See Notes to Financial Statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,270,704	\$ 1,286,581	\$ 15,877
166,740	169,575	2,835
14,035,713	13,231,121	(804,592)
1,000		(1,000)
66,000	81,840	15,840
15,540,157	14,769,117	(771,040)
10,920	8,795	2,125
830,975	764,213	66,762
50,000	3,385	46,615
10,731,768	9,718,556	1,013,212
266,257	252,079	14,178
3,664,276	2,695,015	969,261
1,977,514	1,413,039	564,475
1,878,851	1,727,419	151,432
19,410,561	16,582,501	2,828,060
(3,870,404)	(1,813,384)	2,057,020
111,000	134,682	23,682
3,562,221	2,705,142	(857,079)
(403,821)	(302,480)	101,341
3,269,400	2,537,344	(732,056)
(601,004)	723,960	1,324,964
	45,886	45,886
8,718,945	8,718,945	
<u>\$ 8,117,941</u>	<u>\$ 9,488,791</u>	<u>\$ 1,370,850</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies:

A. Financial Reporting Entity

The City of Lakewood (the City) was incorporated and chartered in 1911.

The City operates under an elected Mayor/Council administrative/legislative form of government and provides the following services as authorized by its charter: public safety (police and fire protection), sanitation, planning and zoning, public improvements, culture and recreation, municipal court and general administration services. In addition, the City owns and operates several enterprise activities, including a water system, a local sewer system, an ice rink facility, and parking facilities.

To define the governmental entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity."

The financial statements present the primary government and component units and organizations for which the City (primary government) is financially accountable. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of the component unit's board and is either able to impose its will on that component unit or there is potential for the component unit to provide a financial benefit to, or impose a financial burden on, the primary government. Based upon the foregoing criteria, these financial statements do not include any component units.

The following entities, which are associated with the City, are excluded from the accompanying financial statements:

- . Lakewood City School District;
- . Lakewood Public Library; and,
- . Lakewood Hospital Association.

B. Basis of Presentation

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the City are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "Totals-Memorandum Only" columns in the general purpose financial statements are presented only to facilitate analysis. The total amounts do not present changes in financial position in conformity with generally accepted accounting principles. Interfund eliminations are not made in the aggregation of this information. The information is not comparable to a consolidation.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

The City uses the following fund categories, fund types, and account groups:

Governmental Funds

General Fund - This fund, which is the major operating fund of the City, is used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Funds - These funds are used to account for revenue from specific sources (other than major capital projects) which require separate accounting because of legal restrictions.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal and interest.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) and to account for the financing of public improvements or services deemed to benefit specific properties on which assessments are levied.

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic determination of revenues, expenses, and net income is appropriate for public policy, management control or other purposes.

Internal Service Funds - These funds are used to account for the goods or services provided to certain City departments and funds or to other governments on a cost reimbursement basis.

Fiduciary Funds

Agency Funds - These funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, or other funds.

Account Groups

General Fixed Assets Account Group - This account group is used to present the general fixed assets utilized in general government operations of the City, exclusive of those used in the Proprietary Funds.

General Long-Term Obligation Account Group - This account group is used to account for all long-term obligations of the City, except for those accounted for in the Proprietary Funds.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

C. Basis of Accounting

All financial transactions for Governmental and Fiduciary Funds are accounted for on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Revenues accrued at the end of the year primarily consist of reimbursements from other governments for grant expenditures, income taxes receivable arising from payroll tax withholdings for individuals in December, and investment income. Governmental fund expenditures are accrued when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation, which is not payable from expendable financial resources, and general long-term obligations principal and interest, which are recorded when due. Financial transactions for Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Under the guidelines of GASB Statement No. 20, the City has elected to apply all GASB pronouncements and FASB Statements and Interpretations issued on or before November 30, 1989, except those that conflict with a GASB pronouncement, to its proprietary activities.

D. Measurement Focus

Governmental Funds are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. The operating statements present sources (revenues and other financing sources) available to pay liabilities in existence at the end of the period. All Proprietary Funds are accounted for on a flow of economic resources measurement focus.

E. Budgetary Accounting

An annual appropriations budget is adopted by City Council for the Governmental Funds and Proprietary Funds. Modifications to the original budget are approved by City Council throughout the year. During 2000, supplemental budgetary appropriations were approved totaling \$20,000. Budget amounts presented in the accompanying financial statements represent final amended amounts.

The City maintains budgetary control by not permitting expenditures/expenses plus other financing uses to exceed appropriations for each fund (legal level) without the approval of City Council. The Director of Finance is authorized to allocate appropriations among departments within any fund. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward into the next year.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

The City's budgetary process accounts for certain transactions on a basis which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.
3. Proceeds from and principal payment on short-term note obligations are reported on the operating statement for budget basis reporting rather than on the balance sheet for GAAP purposes.

An analysis of the difference in excess of revenues and other financing sources over expenditures and other uses for Governmental Funds and increase in retained earnings for Proprietary Funds for the year ended December 31, 2000 as determined under the GAAP basis and budget basis follows:

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis	\$ 210,313	\$ 259,638	\$ 45,377	\$ 2,938,209
Increase (decrease)				
Accrued receivables at December 31, 2000, not recognized in the 2000 budget	(3,512,722)	(526,565)	(95,807)	(2,524,340)
Accrued receivables at December 31, 1999, recognized in the 2000 budget	2,863,472	636,483	98,578	
Net impact of encumbrances on budget basis expenditures and other adjustments	62,262	(933,527)		(535,191)
Accrued liabilities at December 31, 2000, not recognized in the 2000 budget	2,047,253	635,759		286,095
Accrued liabilities at December 31, 1999, recognized in the 2000 budget	(1,853,187)	(356,540)		(497,903)
Budget basis for budgeted funds	<u>\$ (182,609)</u>	<u>\$ (284,752)</u>	<u>\$ 48,148</u>	<u>\$ (333,130)</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

	<u>Proprietary Fund Types</u>	
	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
GAAP Basis	\$ 1,955,586	\$ 278,195
Increase (decrease)		
Accrued receivables at December 31, 2000, not recognized in the 2000 budget	(2,096,627)	(560,730)
Accrued receivables at December 31, 1999, recognized in the 2000 budget	1,657,201	16,977
Net impact of encumbrances on budget basis expenses and other adjustments	237,536	17,320
Change in fund debt	331,976	
Change in fixed assets	(1,263,073)	
Accrued liabilities at December 31, 2000, not recognized in the 2000 budget	1,534,059	414,041
Accrued liabilities at December 31, 1999, recognized in the 2000 budget	<u>(1,784,889)</u>	<u>(13,612)</u>
Budget basis for budgeted funds	<u>\$ 571,769</u>	<u>\$ 152,191</u>

F. Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents on the Combined and Combining Statements of Cash Flows - All Proprietary Fund Types includes restricted cash.

G. Investments

The City has applied the provisions stated in GASB Statement No. 31 to value investments. Accordingly, the City has reported money market investments that have a remaining maturity at the time of purchase of one year or less at amortized cost. Money market investments that do not meet the criteria for reporting at amortized cost have been recorded on the financial statements at fair value.

H. Fixed Assets

Fixed assets include land and land improvements, utility plant in service, buildings, structures and improvements, and machinery and equipment owned by the City. Infrastructure pertaining to Governmental Fund type activities, including streets, bridges, and sidewalks, is not capitalized by the City.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

Fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group. Property and equipment acquired by Proprietary Funds are reported in the respective funds. The City's policy is to capitalize expense (including interest, if applicable) on Proprietary Funds' construction projects until substantially completed.

All purchased fixed assets are recorded at historical cost or estimated historical cost if actual cost information is not available. All donated fixed assets are recorded at estimated fair market value on the date received.

I. Depreciation

Depreciation is not recorded in the General Fixed Assets Account Group. Depreciation, including amortization of amounts for capitalized leases, is charged to operations of Proprietary Funds over the fixed assets' estimated useful lives using the straight-line method. The following useful lives are used to calculate depreciation:

Utility plant in service	20-80 years
Buildings, structures, and improvements	20-80 years
Machinery and equipment	5-15 years

J. Encumbrances

As part of formal budgetary control over all funds, purchase orders, contracts, and other commitments for expenditures are recorded as encumbrances to reserve the applicable portion of the appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance since they do not represent expenditures or liabilities of the City.

K. Grants and Other Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred. Amounts received in excess of expenditures (expenses) are reflected as deferred revenue.

L. Contributed Capital - Enterprise Funds

Contributed capital for the Enterprise Funds was estimated by assuming that as of January 1, 1981 the net fixed assets of such funds were acquired first through outstanding debt (less restricted assets) and then through capital contributions of the City or others. Contributed capital in the Enterprise Funds is reduced annually by the amount of depreciation applicable to the fixed assets acquired through such capital contributions.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

M. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Such transactions are generally reflected as operating transfers in the accompanying financial statements.

N. Inventories

Inventory is valued at cost using the first-in, first-out method. Governmental Funds account for inventories on the consumption method. Expenditures are recognized when inventory is used.

O. Reclassifications

Comparative total data for the prior year has been presented in the accompanying financial statements. Certain amounts have been reclassified to conform with 2000 classifications.

P. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, the City has accrued a liability for sick leave, vacation and/or severance for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The current obligations of all funds and the long-term obligations of Proprietary Funds are reported in the respective funds. For Governmental Fund types, the liability not currently due and payable at year end is reported in the General Long-Term Obligation Account Group.

2. Equity in Pooled Cash and Investments:

The City maintains a cash and investment pool used by all funds except for the Municipal Court, which maintains its own cash and investments in segregated accounts. Each fund whose monies are included in the cash and investment pool has equity therein. Each fund's portion of total cash and investments is summarized by fund type on the combined balance sheet as "cash and cash equivalents" or "investments" except for restricted cash and investments of the Water Enterprise Fund which consist of debt proceeds whose use is restricted as a reserve fund. The amount of restricted assets is displayed on the combined balance sheet as "restricted cash." Amounts reported as cash and cash equivalents and investments principally consist of bank balances; obligations of the U.S. Treasury, U.S. agencies, and U.S. instrumentalities; and investments in the State Treasurer Asset Reserve Fund (STAR Ohio).

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

2. Equity in Pooled Cash and Investments, Continued:

A. Deposits

Ohio Law requires that deposits be placed in eligible banks or savings and loans associations located in Ohio. The City's policy is to place deposits with federally insured banks having offices within the City. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to 110% of the excess of deposits not insured by the Federal Deposit Insurance Corporation.

At year end, the carrying amount of the City's deposits, including certificates of deposit, was \$3,148,334. The actual bank balances totaled \$4,010,375. The difference represents outstanding warrants payable and normal reconciling items. Of the bank balance, \$203,179 was fully insured by federal depository insurance and \$2,500,000 was insured by surety bonds in the City's name. The remainder was uninsured but collateralized by a collateral pool held by an agent of the depository bank in the name of the respective depository bank which pledges a pool of collateral against all public deposits it holds.

B. Investments

The City's investment policies are governed by State statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, Agencies and Instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds, repurchase transactions, and the State Treasurer Asset Reserve Fund (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The City has implemented GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement established accounting and reporting guidelines for government investments and investment pools.

Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000. Investments in Mutual Funds are valued at the fund's current share price on December 31, 2000. Certain U.S. Government securities (those that are not money market investments as defined by GASB Statement 31) have been recorded at fair value which reflects the quoted market price for those investments on December 31, 2000. Money market investments (which include U.S. Treasury securities that had a remaining maturity at the time of purchase of one year or less) have been recorded on the financial statements at amortized cost.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

2. Equity in Pooled Cash and Investments, Continued:

Investments are classified as to credit risk by three categories: 1) Insured or registered, or securities held by the City or its agent in the City's name 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

Type of Investment	(2) Uninsured and Unregistered, with Securities Held by the Counterparty's Trust Department or Agent in the City's Name	Carrying Value	Fair Value
U.S. Government Securities	\$14,648,680	\$14,648,680	\$14,648,680
Repurchase Agreements	769,000	769,000	769,000
Investments in Mutual Funds		4,396,217	4,396,217
State Treasurer Asset Reserve Fund (STAR Ohio)		<u>1,132,935</u>	<u>1,132,935</u>
		<u>\$20,946,832</u>	<u>\$20,946,832</u>

The amounts invested with STAR Ohio and mutual funds are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

3. Changes in Fixed Assets in Service:

A summary of changes in General Fixed Assets follows:

	Balance January 1, 2000	Additions/ Transfer In	Deletions/ Transfers Out	Balance December 31, 2000
Land and land improvements	\$ 2,927,726	\$ 71,626		\$ 2,999,352
Buildings, structures, and improvements	16,226,593	61,940		16,288,533
Machinery and equipment	13,372,774	1,172,330	\$ 285,486	14,259,618
Construction in progress	379,084	542,852	3,589	918,347
	<u>\$ 32,906,177</u>	<u>\$ 1,848,748</u>	<u>\$ 289,075</u>	<u>\$ 34,465,850</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

3. Changes in Fixed Assets in Service, Continued:

A summary of changes in Enterprise Fund fixed assets follows:

	Balance January 1, 2000	Additions/ Transfer In	Deletions/ Transfers Out	Balance December 31, 2000
Land and land improvements	\$ 2,659,166			\$ 2,659,166
Utility plant in service	52,843,120	\$ 3,003,973		55,847,093
Buildings, structures, and improvements	4,925,688	31,808		4,957,496
Machinery and equipment	9,166,359	268,518	\$ 6,001	9,428,876
Construction in progress	4,367,756	1,254,043	1,851,979	3,769,820
Subtotal	\$ 73,962,089	\$ 4,558,342	\$ 1,857,980	\$ 76,662,451
Less: Accumulated depreciation	(23,899,783)	(1,443,290)	(6,001)	(25,337,072)
Net fixed assets	<u>\$ 50,062,306</u>	<u>\$ 3,115,052</u>	<u>\$ 1,851,979</u>	<u>\$ 51,325,379</u>

4. Changes in Contributed Capital:

A summary of changes in Proprietary Funds' contributed capital is as follows:

	Enterprise Funds	Internal Service Funds
Balance January 1, 2000	\$ 15,370,666	\$ 750,000
Depreciation on fixed assets acquired by contributed capital	(461,464)	
Balance December 31, 2000	<u>\$ 14,909,202</u>	<u>\$ 750,000</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

5. Due From Other Funds and Due To Other Funds Account Balances:

The following balances at December 31, 2000 represent individual fund interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General Fund	\$ 567,276	\$ 799,113
Special Revenue Funds:		
Streets and Highways		314,661
Office on Aging Grant		275,424
Community Development Block Grant		148,687
Lakewood Hospital		15,652
Children Who Witness Violence Grant		2,120
Total Special Revenue Funds		756,544
Debt Service Fund	669,823	
Capital Projects Funds:		
Permanent Capital Improvement		967,624
Downtown Development	200,900	
Total Capital Projects Funds	200,900	967,624
Enterprise Funds:		
Water		122,557
Sewer and Wastewater		66,953
Parking Facilities	270,067	5,289
Congregational Living Facility		2,003
Winterhurst Ice Rink		3,052
Total Enterprise Funds	270,067	199,854
Internal Service Funds:		
Hospitalization	414,042	
Workers Compensation	601,027	
Total Internal Service Funds	1,015,069	
TOTAL	\$ 2,723,135	\$ 2,723,135

6. Pension and Retirement Plans:

The City applies GASB No. 27 "Accounting for Pensions of State and Local Government Employees," which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets and note disclosures in the financial reports of state and local government employers.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

6. Pension and Retirement Plans, Continued:

The City contributes to two cost sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (PERS), and (2) Police and Firemen's Disability and Pension Fund of Ohio (P&FDPF). Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in the Ohio Revised Code. PERS issues a stand-alone financial report which is available upon written request addressed to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

P&FDPF issues a publicly available stand-alone financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to 140 East Town Street, Columbus, Ohio 43215-5164. The funding policy for the above plans is as follows:

PERS: During 2000, PERS employees contributed 8.5% of their salary to the plan and the City contributed 10.84% of covered payrolls to the plan. The contributions to PERS for the years ending December 31, 2000, 1999, and 1998 were \$3,389,741, \$3,366,794, and \$3,214,223 respectively. The City paid 81% of the total 2000 contribution in 2000 and the balance was expensed and retained by the City in an agency fund until due in 2001. Contributions for 1999 and 1998 were paid in full.

P&FDPF: During 2000, P&FDPF employees contributed 10% of their annual salary to the plan, and the City contributed 19.5% of gross salary for policemen and 24% for firemen. The contributions to P&FDPF for the years ending December 31, 2000, 1999 and 1998 were \$2,759,124, \$2,593,227, and \$2,522,068, respectively. The City paid 73% of the total 2000 contribution in 2000 and accrued the balance in the General Long-Term Obligation Account Group. Contributions for 1999 and 1998 were paid in full.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2000, the unfunded liability of the City was \$7,553,295, payable in semiannual payments through the year 2035. The liability is reported in the General Long-Term Obligation Account Group.

7. Other Postemployment Benefits (OPEBs):

Ohio Law provides that the City fund post-retirement health care benefits through employer contributions to the Public Employees Retirement System (PERS) of Ohio and the Police and Firemen's Disability and Pension Fund (P&FDPF) of Ohio.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

7. Other Postemployment Benefits (OPEBs), Continued:

PERS: The Public Employees Retirement System provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code provides the statutory authority requiring the City to fund post-retirement health care through its contributions to PERS. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The 2000 employer contribution rate was 10.84% of covered payroll; 4.3% was the portion that was used to fund health care for the year 2000. The City's actual contribution to fund OPEBs for 2000 was \$770,793.

OPEBs are advance-funded on an actuarially determined basis. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEBs. The difference between assumed and actual experience becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The latest actuarial review, performed as of December 31, 1999, included an investment assumption rate of 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. Health care costs were assumed to increase 4.75% annually. As of December 31, 1999, the actuarial value of net assets available for future OPEB payments were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. The number of active contributing participants was 401,339.

P&FDPF: P&FDPF operates under the authority of the Ohio Revised Code and provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. As of December 31, 1999, the date of the last actuarial valuation available, 12,467 policemen and 9,807 firemen were eligible to receive health care benefits.

Ohio Law provides that health care costs paid from the funds of the P&FDPF shall be included in the employer's contribution rate. The health care funding and accounting is on a pay-as-you-go basis. The Board-defined allocation used to pay retiree health care expenses for 1999, 2000, and 2001 is 7.0%, 7.25%, and 7.5%, respectively, of covered payroll. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care through a deduction from their monthly benefit payment. Total health care expenses, net of member contributions of \$5,518,098, for the year ended December 31, 1999, were \$95,004,633. For 2000, actual City contributions to P&FDPF used to pay OPEBs were \$335,222 for police and \$290,009 for firemen.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

8. Accumulated Unpaid Employee Benefits and Overtime:

City employees generally earn vacation and sick leave ranging from two to five weeks and 14 to 30 days per year, respectively, based on length of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation leave and accumulated sick days cannot exceed 50 or 120 days, respectively, at the end of any year. However, employees convert to cash, on a three-to-one basis, sick days accumulated in excess of 120 days. Twenty-five percent of unused sick leave plus any accumulated vacation leave is paid at retirement or death.

For Governmental Fund types, the liability for accumulated vacation totaled \$951,966 at December 31, 2000. This amount has been recorded in the General Long-Term Obligation Account Group since the timing of future payments is not able to be determined. For Enterprise Funds, accumulated vacation leave totaled \$126,765. This amount has been recorded as a liability in the respective Enterprise Funds.

The City has recorded an estimated liability of \$97,905 for accumulated sick leave benefits payable at December 31, 2000 in accordance with GASB No. 16, "Accounting for Compensated Absences." This liability has been recorded in the General Long-Term Obligation Account Group. The estimated liability for Enterprise Funds totaled \$3,960 at December 31, 2000. This amount has been recorded in the respective Enterprise Funds.

In addition, employees of the City accumulate deferred compensation for a portion of overtime hours worked based upon time and a half for police and fire department employees and straight time for other employees. The liabilities for overtime, at current pay rates and converted to straight time hours, at December 31, 2000 follow:

<u>Department</u>	<u>Hours</u>	<u>Amount</u>
Police	2,834	\$ 74,942
Fire	5,825	110,797
Other - Governmental Fund Types	3,078	78,266
Other - Proprietary Fund Types	<u>1,903</u>	<u>40,430</u>
	13,640	\$ 304,435

Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City's payroll. Police and fire department employees can receive, on a yearly basis, payments for portions of overtime accumulated upon written request to the respective department Chief. The accumulated overtime is recorded in the General Long-Term Obligation Account Group since the timing of future payments is not able to be determined. Proprietary Fund type amounts are recorded as liabilities in the respective Enterprise Funds.

Fire Department personnel required to work a holiday shall be granted, at a later time, an eight-hour off-duty period. Members hired after January 1, 1989 must take holiday time off during the year in which it is earned. Members hired before January 1, 1989 may accumulate up to 13 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of up to 96 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

9. Leases

A. Capital Leases

The City leases police vehicles and copier equipment through capital leasing arrangements. The assets and obligations of such agreements are recorded in the General Fixed Assets Account Group and the General Long-Term Obligation Account Group, respectively. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2000:

	Amounts
2001	\$ 102,368
2002	56,160
2003	9,582
2004	<u>9,582</u>
Total minimum lease payments	\$ 177,692
Less: Amount representing interest	<u>(11,483)</u>
Present value of net minimum lease payments	<u>\$ 166,209</u>

B. Operating Leases

In 1997, the City renegotiated its lease agreement with the Lakewood Hospital Association (LHA) for its use of real and personal property owned by the City for the purpose of operating a hospital. The cost of leased assets and accumulated depreciation totaled \$157,101,000 and \$99,570,000, respectively, as of December 31, 2000. Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

10. Debt and Long-Term Obligations:

Debt and long-term obligations of the City as of December 31, 2000 follow:

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
Capital Projects Fund:				
General Obligation Notes Payable:				
3.25% Motorized equipment note	\$ 481,800		\$ 481,800	
3.25% Motorized equipment note	644,000		644,000	
3.25% Motorized equipment note	278,540		278,540	
3.25% Police communications equipment note	536,200		536,200	
3.25% Tree planting note	50,000		50,000	
3.25% Street improvement note	141,000		141,000	
3.60% Street improvement note	575,000		575,000	
3.25% Building and facilities note	600,460		600,460	
5.00% Recreation facilities note	90,000	\$ 40,000	90,000	\$ 40,000
5.00% Fire equipment note	48,000	42,000	48,000	42,000
5.00% Motorized equipment note		682,000		682,000
5.00% Recreation facilities note		65,000		65,000
Total Capital Projects Fund Debt	\$ 3,445,000	\$ 829,000	\$ 3,445,000	\$ 829,000

Capital Projects Fund debt is entirely comprised of notes payable with \$829,000 of principal and \$20,725 of interest maturing during 2001.

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
General Long-Term Obligation Account Group:				
General Obligation Notes Payable:				
5.00% Police and fire equipment note		\$ 664,000		\$ 664,000
5.00% Street improvement note		792,125		792,125
5.00% Building and facilities note		904,875		904,875
5.00% Fire equipment note		560,000		560,000
Total General Obligation Notes Payable		\$ 2,921,000		\$ 2,921,000
Special Assessment Bonds Payable with Government Commitment:				
Various rates, street improvement bonds due through 2002	\$ 90,600		\$ 29,400	\$ 61,200
Various rates, breakwall improvement bonds due through 2003	155,000		35,000	120,000
Total Special Assessment Bonds Payable with Government Commitment	\$ 245,600	\$ 0	\$ 64,400	\$ 181,200

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

10. Debt and Long-Term Obligations, Continued:

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
General Obligation and Refunding Bonds Payable:				
11.75% Recreational facilities bonds due through 2000	\$ 160,000		\$ 160,000	
Various rates, various purpose general obligation bonds due through 2000	14,000		14,000	
Various rates, refunding general obligation bonds due through 2012	8,125,000		500,000	\$ 7,625,000
Various rates, various purpose general obligation bonds due through 2015	9,035,000		370,000	8,665,000
Various rates, various purpose general obligation bonds due through 2017	3,785,400		188,800	3,596,600
Total General Obligation and Refunding Bonds Payable	\$ 21,119,400	\$ 0	\$ 1,232,800	\$ 19,886,600
Total Debt in the General Long-Term Obligation Account Group	\$ 21,365,000	\$ 2,921,000	\$ 1,297,200	\$ 22,988,800
Other Long-Term Obligations:				
Accrued wages and benefits (accumulated unpaid employee benefits)	\$ 9,725,643	\$ 615,701	\$ 1,040,682	\$ 9,300,662
Accumulated overtime	354,866		90,861	264,005
Capital lease obligations	164,439	132,516	130,746	166,209
Loans payable	585,200		15,400	569,800
Total Other Long-Term Obligations in the General Long-Term Obligation Account Group	\$ 10,830,148	\$ 748,217	\$ 1,277,689	\$ 10,300,676
Total Debt and Other Long-Term Obligations	\$ 32,195,148	\$ 3,669,217	\$ 2,574,889	\$ 33,289,476
Enterprise Funds				
General Obligation, Mortgage Revenue and Refunding Bonds Payable:				
Various rates, various purpose general obligation bonds due through 2000	\$ 126,000		\$ 126,000	
9.00% Water main mortgage revenue bonds due through 2011	3,465,000		195,000	\$ 3,270,000
Various rates, refunding general obligation bonds due through 2011	5,010,000		330,000	4,680,000
Various rates, sewer construction bonds due through 2015	2,625,000		105,000	2,520,000
Various rates, water main mortgage revenue bonds due through 2015	2,925,000		75,000	2,850,000
Various rates, recreation facility general obligation bonds due through 2017	1,294,000		1,800	1,292,200
Total Bonds Payable in the Enterprise Funds	\$ 15,445,000	\$ 0	\$ 832,800	\$ 14,612,200

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

10. Debt and Long-Term Obligations, Continued:

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
Other Long-Term Obligations:				
Loans payable	\$ 2,901,773	\$ 1,166,978	\$ 33,349	\$ 4,035,402
Total Other Long-Term Obligations in the Enterprise Funds	<u>\$ 2,901,773</u>	<u>\$ 1,166,978</u>	<u>\$ 33,349</u>	<u>\$ 4,035,402</u>
Total Debt and Other Long-Term Obligations in the Enterprise Funds	<u>\$ 18,346,773</u>	<u>\$ 1,166,978</u>	<u>\$ 866,149</u>	<u>\$ 18,647,602</u>

Notes payable represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes. Further security is provided on the general obligation bond anticipation notes by a pledge of the full faith, credit, and general revenues of the City for the repayment of debt. The notes payable are issued by the City with a one-year maturity. Ohio law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for five years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes.

Special assessment projects are funded through the issuance of bonds and notes payable. Bonds and notes issued are recognized as general long-term obligations of the City and retired with assessments levied against property owners and/or general revenues of the City based on the improvements/benefit to the respective parties. Assessments will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

A summary of the City's future debt service requirements for tax supported general obligation and special assessment bonds; Enterprise Fund general obligation, mortgage revenue and refunding bonds; and final loans payable as of December 31, 2000 follows:

	Enterprise Fund Debt		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$ 862,097	\$ 781,299	\$ 70,200	\$ 8,690	\$ 1,238,800	\$ 1,032,833
2002	940,697	744,911	71,000	5,447	1,307,900	981,111
2003	1,007,097	706,562	40,000	2,100	1,262,600	921,861
2004	1,047,097	664,658			1,337,600	864,977
2005	1,097,097	620,082			1,377,600	803,165
2006 and thereafter	12,840,281	3,362,850			13,931,900	3,976,189
	<u>\$ 17,794,366</u>	<u>\$ 6,880,362</u>	<u>\$ 181,200</u>	<u>\$ 16,237</u>	<u>\$ 20,456,400</u>	<u>\$ 8,580,136</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

10. Debt and Long-Term Obligations, Continued:

The bonds payable are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes and special obligation bonds. The security for payment of the general obligation bonds of the City is the requirement of the levy by the City of ad valorem property taxes within the ten-mill limitation imposed by Ohio law. Additionally, the City has pledged its full faith and credit as security for the general obligation bonds payable. General obligation bonds issued to provide funds for additions or improvements to the fixed assets of the Enterprise Funds are general obligations of the City; however, the City's practice has been to service the debt with the revenues of the respective Enterprise Funds.

The City has outstanding 1991 and 1995 water mortgage revenue bonds. The debt service on the water mortgage revenue bonds is payable from the net revenues derived by the City from the operation of the water distribution system.

During 1997, the City entered into an agreement with the Ohio Public Works Commission for a street construction loan. The construction project was completed in 1998 and the loan amount totaled \$616,000. The balance of \$569,800 remaining at December 31, 2000 has been recorded as a liability in the General Long-Term Obligation Account Group and is payable from monies collected from ad valorem property taxes.

The City also entered into agreements with the Ohio Public Works Commission securing loans for water main and sewer separation construction projects. The loans will be repaid with revenues of the Water and Sewer and Wastewater Funds. At December 31, 2000, the Ohio Public Works Commission had loaned the City \$4,035,402 which has been recorded as a liability in the Water and Sewer and Wastewater Funds. Of the total liability recorded, \$3,182,166 represented loans that had been finalized at December 31, 2000. The City has received a repayment schedule for this amount and therefore included only those payments in the table illustrating the City's future debt service requirements. The balance of \$853,236 represents construction advances applied to current water main and sewer separation construction projects.

On March 1, 1998, the City issued \$5,695,000 in general obligation bonds to advance refund \$5,195,000 of outstanding 1992 Sanitary Sewer System special obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the Sewer and Wastewater Fund. As of December 31, 2000, \$4,410,000 of the defeased debt remained outstanding.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

10. Debt and Long-Term Obligations, Continued:

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The unamortized balance of the deferral totaled \$342,613 at December 31, 2000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method. The City completed the advance refunding to reduce its total debt service payments by \$223,590 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$155,524.

On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligation Account Group. As of December 31, 2000, \$7,100,000 of the defeased debt remained outstanding.

The City completed the advance refunding to reduce its total debt service payments by \$313,087 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$213,491.

Legal Debt Margin: Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 2000 had the capacity to issue \$16,180,851 of additional unvoted general obligation debt.

Conduit Debt Obligations: In 1983 and 1989, the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay costs of Lakewood Hospital facility improvements. In 1989, the City also issued Hospital Improvement Refunding Revenue Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements. As of December 31, 2000, the aggregate principal amount of the conduit debt obligations outstanding for Lakewood Hospital was \$32,971,000. The aggregate principal amount of conduit debt obligations outstanding for St. Edward High School was \$10,800,000.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

11. Deficit Fund Balances or Retained Earnings of Individual Funds and Compliance:

The following individual funds had deficit retained earnings or fund balances at December 31, 2000:

<u>Special Revenue Funds</u>	
Office on Aging Grant	\$ 254,143
 <u>Internal Service Funds</u>	
General Insurance	\$ 52,966
Recreational Insurance	\$ 9,488

The fund balance deficit in the Office on Aging Grant Fund was caused by the accrual of certain expenditures in excess of available resources. The deficit will be eliminated through an operating transfer from the General Fund in 2001.

The retained earnings deficits in the General Insurance Fund and the Recreational Insurance Fund were caused by the accrual of claims that are estimated to be paid in the future. The funding for these claims, if incurred and paid at some point in the future, will be obtained through an operating transfer from other funds.

The following funds had expenditures and encumbrances in excess of appropriation contrary to Ohio Revised Code Section 5705.41 (B):

<u>Special Revenue Funds</u>	<u>Appropriation</u>	<u>Expenditures and Encumbrances</u>	<u>Excess</u>
Children's Trust Grant	\$ 49,351	\$ 53,720	\$ 4,369
Computer Research and Maintenance	55,000	74,573	19,573
St. Ann's Grant	30,000	32,901	2,901
Byrne Memorial Grant	69,085	75,015	5,930

12. Income Taxes:

The City currently levies a municipal income tax at the rate of 1.5 percent. The City's income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted a .50 percent credit for income taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

13. Property Taxes:

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. The assessed value upon which 2000 collections were based was \$723,953,648 (per the Cuyahoga County Auditor). Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the City levies 3.47 mills of the first 10 mills of assessed value. In addition to the 3.47 mills, 13.83 mills has been levied based upon mills voted for general operations, bond retirement, police and fire pensions, and sewage disposal.

A summary of voted millage follows:

Voter Authorized Rate (a)	Rate Levied for Current Year Collection	Purpose	Initial Collection Year	Final Collection Year
2.0 (b)	2.00	Sewage Disposal	1960	Indefinite Life
8.65 (b)	8.65	Operating	1949	Indefinite Life
Open End (c)	1.57	Police Pension	1969	Indefinite Life
Open End (c)	<u>1.61</u>	Fire Pension	1969	Indefinite Life
	<u>13.83</u>			

(a) In mills per \$1,000 of assessed valuation.

(b) The electors of the City have authorized Council to levy each year up to 2.0 and 8.65 mills, respectively, on all taxable property in the City without further authorization from the electors for the aforesaid purposes, but subject to change by further action of the electors. No portion of the 2.0 mills and 8.65 mills, respectively, can be preempted by an overlapping taxing subdivision.

(c) The electors of the City have authorized the Council to levy each year an amount of millage sufficient in rate to provide all moneys required by the laws of the State of Ohio to be paid by the City into the Police and Firemen's Disability and Pension Fund of the State on all of the taxable property in the City without further authorization from the electors, but subject to change by further action of the electors. No portion of the levy can be preempted by an overlapping taxing subdivision.

Real property taxes, excluding public utility property, are all assessed at 35% of appraised market value. Pertinent real property tax dates follow:

Collection Dates	January 20 and June 20 of the current year
Lien Date	January 1 of the year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

13. Property Taxes, Continued:

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 2000, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates follow:

Collection Dates	April 30 and September 30 of the current year
Lien Date	January 1 of the current year
Levy Date	October 1 of the year preceding the collection year

Public utility tangible personal property currently is assessed at 100% of its true value except for rural electric companies (50%) and railroads (25%). Pertinent public utility tangible personal property tax dates follow:

Collection Dates	January 20 and June 20 of the current year
Lien Date	December 31 of the second year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

14. Loss Contingencies and Commitments:

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being allowable expenditures under Federal and State regulations. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

15. Segment Information for Enterprise Funds:

The City currently maintains five Enterprise Funds which provide water, sewer, parking, housing services and an ice rink facility. Information for the year ended December 31, 2000 for the Enterprise Funds is summarized as follows:

	Water	Sewer and Wastewater	Parking Facilities	Congregational Living Facility	Winterhurst Ice Rink	Total Enterprise Funds
Operating revenues	\$ 8,506,162	\$ 3,583,056	\$ 279,295	\$ 8,100	\$ 876,483	\$ 13,253,096
Tax revenues		1,284,290				1,284,290
Intergovernmental		169,573				169,573
Depreciation	(448,875)	(872,133)	(69,958)	(601)	(51,723)	(1,443,290)
Operating income (loss)	1,534,282	(562,105)	(61,022)	(1,614)	(31,995)	877,546
Net income (loss)	1,189,688	450,462	(61,022)	(1,614)	(83,392)	1,494,122
Additions to property, plant and equipment	1,571,555	1,087,953			40,854	2,700,362
Additions to contributed capital						0
Net working capital	3,392,170	3,607,821	309,466	7,624	(10,264)	7,306,817
Total identifiable assets	25,374,840	31,591,539	2,394,743	53,487	3,105,374	62,519,983
Bonds and other long- term liabilities payable from operating revenues	9,222,477	7,045,312			1,290,400	17,558,189
Total equity	14,859,943	21,926,345	2,315,897	45,558	1,641,471	40,789,214

16. Risk Management:

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Most of these risks are covered by commercial insurance purchased from independent third parties. There has been no reduction in insurance coverage from the previous year. Settled claims from risks covered by the City's insurance policies have not exceeded the insurance coverage for the past three fiscal years.

In addition to these coverages, the City has implemented a formal self-insurance program. The City has established a General Insurance Fund and the Recreational Insurance Fund to account for and finance its uninsured risk of losses. All funds of the City participate in the self-insurance program and make payments to the Internal Service Fund based on claim experience.

In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

16. Risk Management, Continued:

Changes to the estimated claims payable recorded in the General and Recreational Insurance Funds during the years ended December 31, 2000 and 1999 were as follows:

	2000	1999
Estimated claims payable January 1	\$ 26,000	\$ 26,000
Plus: Current year claims and changes in estimates	3,385	42,975
Less: Claim payments	(3,385)	(42,975)
Estimated claims payable December 31	\$ 26,000	\$ 26,000

The City of Lakewood maintains an Internal Service Fund to finance the cost of employee hospitalization and medical insurance on a cost reimbursement basis. The City offers three plans to its employees. One of the insurance plans is funded through a minimum premium agreement. Under this plan, the plan administrator pays claims on behalf of the employees and bills the City for the amount of actual claims paid plus administrative costs. The City is liable for claims up to a maximum premium.

At December 31, 2000, \$414,041 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported. Changes in the balances of claims liabilities during the past two fiscal years follows:

	2000	1999
Estimated claims payable January 1	\$ 268,700	\$ 376,230
Plus: Current year claims and changes in estimates	1,801,507	967,270
Less: Claim payments	(1,656,166)	(1,074,800)
Estimated claims payable December 31	\$ 414,041	\$ 268,700

17. Workers' Compensation:

The State of Ohio is one of six states having monopolistic state funds which have the exclusive authority to provide employers with workers' compensation insurance. Historically, under the Ohio Workers' Compensation System for public employer taxing districts, there have been two types of rating plans: base rating and experience rating. Ohio law was subsequently amended to include an additional plan called retrospective rating, which is offered to Ohio employers who meet the eligibility standards. Under the terms of the State of Ohio's retrospective rating plan, an employer initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State fund for those costs, subject to the plans individual claim cost limitation and the employer's premium limitation.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 2000

17. Workers' Compensation, Continued:

During 1991, the City applied for and was accepted into the State's retrospective rating plan. The City has established a Workers Compensation Self-Insurance Fund (an Internal Service Fund) to account for and pay workers' compensation claims from accumulated assets of the fund. The City's retrospective rating plan provides for an aggregate stop loss limit on premiums of 200% of the employer's normal premium in the year in which the claim occurred and a \$300,000 limit per individual claim.

At December 31, 2000, \$1,456,807 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims calculated using trends in actual claims experience. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	2000	1999
Estimated Claims payable January 1	\$ 1,547,240	\$ 1,701,098
Plus: Current year claims and changes in estimates	(62,040)	367,671
Less: Claim payments	(28,393)	(521,529)
Estimated Claims payable December 31	\$ 1,456,807	\$ 1,547,240

18. Subsequent Events:

On May 14, 2001, the City retired the accrued liability for police and firemen benefits administered by the Police and Firemen's Disability and Pension Fund of Ohio (P&FDPF). P&FDPF recently allowed contributing entities to pay off accrued liability balances in one lump sum at a discount of outstanding principal. The discounted payment totaled 72.5% of the outstanding principal plus accrued interest on the principal balance at 4.15% calculated from the date of the last semiannual payment date until May 14, 2001. The City had been paying \$419,523 annually and was obligated to make that payment for the next 34 years and \$190,889 in the year 2035. The City's final payment to retire the accrued liability totaled \$5,647,300.

On May 1, 2001 the City issued \$8,225,000 of Various Purpose General Obligation Bonds, Series 2001. The net interest cost on the issue is 5.14%. The City used \$5,250,000 of the proceeds to retire the accrued liability described above. The balance of the proceeds will be used to finance all or a portion of the costs of various permanent capital improvements and to refinance outstanding bond anticipation notes.

On May 24, 2001 the City issued \$4,105,000 of Various Purpose General Obligation Bond Anticipation Notes, Series 2001. The notes will bear interest until maturity on May 24, 2002 at a rate of 3.50%. The proceeds will be used to finance various permanent capital improvements scheduled for completion in 2001.

CITY OF LAKEWOOD, OHIO

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or sources for major capital projects) that are legally restricted to expenditures for specified purposes.

Streets and Highways Fund	To account for the revenue from the City's share of State gasoline taxes and vehicle registration fees. State law requires that these taxes be used for maintenance of streets.
Police and Fire Pensions Fund	To account for the revenue from property taxes levied for the payment of the current and accrued liability for police and firemen disability and pension.
Enforcement and Education Fund	To account for the revenue from fines imposed by the Courts which are used for programs aimed at further education in enforcement of D.U.I. laws.
Litter Control Grant Fund	To account for the revenues received from Ohio Department of Natural Resources and expenditures relative to this program.
Office on Aging Grant Fund	To account for the revenues received through the Ohio Department on Aging from the Federal government under the Older Americans Act and expenditures related to this program.
Community Development Block Grant Fund	To account for the revenues received from the Federal government and expenditures as prescribed under the Community Development Block Grant program.
Community Festival Fund	To account for the revenues and expenditures relating to various community activities held during the year.
Children's Trust Grant Fund	To account for the revenue received from the Governor's Office of Criminal Justice Services which are used to implement a comprehensive community awareness and prevention program for Lakewood's youth.
Law and Drug Enforcement Fund	To account for confiscated property and forfeited bonds. Monies are designated for specific law enforcement purposes and activities.
Emergency Shelter Fund	To account for grants issued to the City by the United States Department of Housing and Urban Development (HUD) to fund the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.

Indigent Drivers Alcohol Treatment Fund	To account for the revenue from fines imposed upon persons convicted of "Driving while under the influence of alcohol (D.U.I.)."
Political Subdivision Fund	To account for the revenue from fines imposed by the Courts which is distributed to the political subdivision responsible for housing the D.U.I. offender to offset related costs.
Bureau of Justice Grant Fund	To account for grant proceeds from the Federal government and the expenditures related to this program.
Computer Research and Maintenance Fund	To account for the revenue from fines imposed by the Courts which is used to provide for computerized research services and maintenance of the Court's computer system.
Little Links Fund	To account for the revenues and expenditures to maintain the City's miniature golf course.
Lakewood Hospital Fund	To account for the revenues and expenditures related to providing emergency medical service and other health and safety services.
Just Friends Grant Fund	To account for grant proceeds from the State which fund youth programming.
St. Ann's Grant Fund	To account for the revenues received from the St. Ann's Foundation which are used to expand Family Room programming in the southeastern quadrant of the City.
Violence Prevention Grant Fund	To account for grant proceeds from the County used to provide case management services to children who witness violence.
Juvenile Accountability Incentive Block Grant Fund	To account for grant proceeds from the State used to decrease the number of juveniles entering the court systems.
Byrne Memorial Grant Fund	To account for grant proceeds from the State used to expand the community safety outreach program.
Help to Others Fund	To account for camp registrations and donations used to fund a youth program that promotes volunteerism.

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Special Revenue Funds
December 31, 2000

	Streets and Highways Fund	Police and Fire Pensions Fund	Enforcement and Education Fund	Litter Control Grant Fund	Office on Aging Grant Fund
Assets					
Cash and cash equivalents	\$ 964,432	\$ 557,907	\$ 42,840	\$ 26,776	\$ 75,050
Receivables					
Taxes		2,289,474			
Accounts					2,902
Special assessments					
Loans					
Other			763		21,432
Less allowance for doubtful accounts					
Receivables, net		2,289,474	763		24,334
Due from other governments	94,834				
Prepaid items					
Inventories	45,404				
Total assets	\$ 1,104,670	\$ 2,847,381	\$ 43,603	\$ 26,776	\$ 99,384
Liabilities					
Accounts payable	\$ 249,402			\$ 1,512	\$ 23,820
Due to other funds	314,661				275,424
Accrued wages and benefits	47,260			634	54,283
Deferred revenue		\$ 2,202,780			
Total liabilities	611,323	2,202,780		2,146	353,527
Fund balance (deficit)					
Reserved for loans receivable					
Reserved for inventories	45,404				
Reserved for prepaid items					
Reserved for encumbrances	437,271			11,175	4,713
Undesignated and unreserved	10,672	644,601	\$ 43,603	13,455	(258,856)
Total fund balance (deficit)	493,347	644,601	43,603	24,630	(254,143)
Total liabilities and fund balance	\$ 1,104,670	\$ 2,847,381	\$ 43,603	\$ 26,776	\$ 99,384

Community Development Block Grant Fund	Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Grant Fund	Indigent Drivers Alcohol Treatment Fund	Political Subdivision Fund
	\$ 4,052	\$ 4,988	\$ 159,883		\$ 143,615	\$ 2,422
\$ 39,573						
3,433,002			350		750	657
<u>3,472,575</u>			<u>350</u>		<u>750</u>	<u>657</u>
153,112				\$ 13,027		
<u>\$ 3,625,687</u>	<u>\$ 4,052</u>	<u>\$ 4,988</u>	<u>\$ 160,233</u>	<u>\$ 13,027</u>	<u>\$ 144,365</u>	<u>\$ 3,079</u>
\$ 101,289	\$ 307			\$ 3,829		
148,687						
23,590						
636						
<u>274,202</u>	<u>307</u>			<u>3,829</u>		
3,433,002						
729,099		\$ 1,485	\$ 5,511	50,981		
(810,616)	3,745	3,503	154,722	(41,783)	\$ 144,365	\$ 3,079
<u>3,351,485</u>	<u>3,745</u>	<u>4,988</u>	<u>160,233</u>	<u>9,198</u>	<u>144,365</u>	<u>3,079</u>
<u>\$ 3,625,687</u>	<u>\$ 4,052</u>	<u>\$ 4,988</u>	<u>\$ 160,233</u>	<u>\$ 13,027</u>	<u>\$ 144,365</u>	<u>\$ 3,079</u>

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Special Revenue Funds
December 31, 2000

	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund
Assets					
Cash and cash equivalents	\$ 31,585	\$ 190,246	\$ 2,094	\$ 739,630	\$ 1,866
Receivables					
Taxes					
Accounts				141,137	
Special assessments				1,819	
Loans					
Other	1,249	4,150			
Less allowance for doubtful accounts					
Receivables, net	<u>1,249</u>	<u>4,150</u>		<u>142,956</u>	
Due from other governments					
Prepaid items				11,070	
Inventories					
Total assets	<u>\$ 32,834</u>	<u>\$ 194,396</u>	<u>\$ 2,094</u>	<u>\$ 893,656</u>	<u>\$ 1,866</u>
Liabilities					
Accounts payable		\$ 18,543		\$ 24,003	
Due to other funds				15,652	
Accrued wages and benefits				51,186	
Deferred revenue				1,819	
Total liabilities		<u>18,543</u>		<u>92,660</u>	
Fund balance (deficit)					
Reserved for loans receivable					
Reserved for inventories					
Reserved for prepaid items				11,070	
Reserved for encumbrances				30,407	
Undesignated and unreserved	\$ 32,834	175,853	\$ 2,094	759,519	\$ 1,866
Total fund balance (deficit)	<u>32,834</u>	<u>175,853</u>	<u>2,094</u>	<u>800,996</u>	<u>1,866</u>
Total liabilities and fund balance	<u>\$ 32,834</u>	<u>\$ 194,396</u>	<u>\$ 2,094</u>	<u>\$ 893,656</u>	<u>\$ 1,866</u>

St. Ann's Grant Fund	Violence Prevention Grant Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Help to Others Fund	Totals	
					2000	1999
\$ 2,101		\$ 4,639	\$ 3,099	\$ 347	\$ 2,957,572	\$ 2,393,436
					2,289,474	2,020,085
					183,612	105,499
					1,819	3,525
					3,433,002	3,500,012
					29,351	62,068
						(3,662)
					5,937,258	5,687,527
	\$ 4,980	17,730			283,683	369,927
					11,070	9,485
					45,404	83,286
<u>\$ 2,101</u>	<u>\$ 4,980</u>	<u>\$ 22,369</u>	<u>\$ 3,099</u>	<u>\$ 347</u>	<u>\$ 9,234,987</u>	<u>\$ 8,543,661</u>
\$ 8	\$ 2,120	\$ 266	\$ 1,167		\$ 422,713	\$ 231,576
	493				756,544	787,096
					178,879	179,104
					2,205,235	1,933,907
<u>8</u>	<u>2,613</u>	<u>266</u>	<u>1,167</u>		<u>3,563,371</u>	<u>3,131,683</u>
					3,433,002	3,500,012
					45,404	83,286
					11,070	9,485
5,000		800		\$ 723	1,277,165	640,071
(2,907)	2,367	21,303	1,932	(376)	904,975	1,179,124
<u>2,093</u>	<u>2,367</u>	<u>22,103</u>	<u>1,932</u>	<u>347</u>	<u>5,671,616</u>	<u>5,411,978</u>
<u>\$ 2,101</u>	<u>\$ 4,980</u>	<u>\$ 22,369</u>	<u>\$ 3,099</u>	<u>\$ 347</u>	<u>\$ 9,234,987</u>	<u>\$ 8,543,661</u>

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
All Special Revenue Funds
For the year ended December 31, 2000

	Streets and Highways Fund	Police and Fire Pensions Fund	Enforcement and Education Fund	Litter Control Grant Fund	Office on Aging Grant Fund
Revenues					
Taxes	\$ 636,788	\$ 2,042,020			
Licenses and permits					
Intergovernmental	848,161	269,622		\$ 45,278	\$ 342,575
Charges for services	9,776				
Fines and forfeits			\$ 7,809		
Special assessments	2,039				
Interest					
Miscellaneous	158,062	2,281			227,054
Total revenues	<u>1,654,826</u>	<u>2,313,923</u>	<u>7,809</u>	<u>45,278</u>	<u>569,629</u>
Expenditures					
Current					
Public safety		2,283,009	12,162		
Health					1,663,620
Culture and recreation					
Community environment				56,136	
Highways and streets	2,018,050				
General government					
Capital outlay	402,462			13,180	25,494
Total expenditures	<u>2,420,512</u>	<u>2,283,009</u>	<u>12,162</u>	<u>69,316</u>	<u>1,689,114</u>
Excess of revenues over (under) expenditures	(765,686)	30,914	(4,353)	(24,038)	(1,119,485)
Other financing sources (uses)					
Operating transfers, in	800,000			17,106	1,075,000
Operating transfers, out					
Net other financing sources (uses)	<u>800,000</u>			<u>17,106</u>	<u>1,075,000</u>
Excess of revenues and other sources over (under) expenditures and other uses	34,314	30,914	(4,353)	(6,932)	(44,485)
Fund balance (deficit), January 1	<u>459,033</u>	<u>613,687</u>	<u>47,956</u>	<u>31,562</u>	<u>(209,658)</u>
Fund balance (deficit), December 31	<u>\$ 493,347</u>	<u>\$ 644,601</u>	<u>\$ 43,603</u>	<u>\$ 24,630</u>	<u>\$ (254,143)</u>

Community Development Block Grant Fund	Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Grant Fund	Indigent Drivers Alcohol Treatment Fund	Political Subdivision Fund
\$ 2,170,843		\$ 44,649		\$ 105,615		
			\$ 8,919		\$ 18,394	\$ 4,834
99,608	\$ 4,000		27,080			
2,270,451	4,000	44,649	35,999	105,615	18,394	4,834
			31,061			
	9,146	50,732				
1,981,276				96,417		
					4,500	
373,243		2,284	12,111			
2,354,519	9,146	53,016	43,172	96,417	4,500	
(84,068)	(5,146)	(8,367)	(7,173)	9,198	13,894	4,834
	5,000		(2,455)			(7,000)
	5,000		(2,455)			(7,000)
(84,068)	(146)	(8,367)	(9,628)	9,198	13,894	(2,166)
3,435,553	3,891	13,355	169,861	0	130,471	5,245
\$ 3,351,485	\$ 3,745	\$ 4,988	\$ 160,233	\$ 9,198	\$ 144,365	\$ 3,079

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
All Special Revenue Funds
For the year ended December 31, 2000

	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund
Revenues					
Taxes					
Licenses and permits				\$ 46,903	
Intergovernmental	\$ 22,093			28,255	
Charges for services			\$ 16,015	1,935,465	
Fines and forfeits		\$ 54,531			
Special assessments				2,625	
Interest	1,500				
Miscellaneous			350	2,341	
Total revenues	23,593	54,531	16,365	2,015,589	
Expenditures					
Current					
Public safety				1,129,745	
Health				489,776	
Culture and recreation					
Community environment			17,084		
Highways and streets					
General government		90,781			
Capital outlay		2,442		26,914	
Total expenditures		93,223	17,084	1,646,435	
Excess of revenues over (under) expenditures	23,593	(38,692)	(719)	369,154	
Other financing sources (uses)					
Operating transfers, in	2,455				
Operating transfers, out					
Net other financing sources (uses)	2,455				
Excess of revenues and other sources over (under) expenditures and other uses	26,048	(38,692)	(719)	369,154	
Fund balance (deficit), January 1	6,786	214,545	2,813	431,842	\$ 1,866
Fund balance (deficit), December 31	\$ 32,834	\$ 175,853	\$ 2,094	\$ 800,996	\$ 1,866

St. Ann's Grant Fund	Violence Prevention Grant Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Help to Others Fund	Totals	
					2000	1999
					\$ 2,678,808	\$ 2,924,592
					46,903	48,826
	\$ 18,417	\$ 17,730	\$ 52,105		3,965,343	4,948,933
				\$ 4,095	1,965,351	1,197,676
					94,487	102,860
					4,664	
					101,108	102,610
				16,526	437,694	417,201
	18,417	17,730	52,105	20,621	9,294,358	9,742,698
					3,455,977	2,854,629
					2,204,128	2,068,898
					9,146	8,352
\$ 27,743	16,820	11,502	73,910	20,274	2,301,162	3,772,876
					2,018,050	1,892,215
					95,281	23,588
		2,278			860,408	101,723
27,743	16,820	13,780	73,910	20,274	10,944,152	10,722,281
(27,743)	1,597	3,950	(21,805)	347	(1,649,794)	(979,583)
		2,055	17,271		1,918,887	1,532,874
					(9,455)	(9,522)
		2,055	17,271		1,909,432	1,523,352
(27,743)	1,597	6,005	(4,534)	347	259,638	543,769
29,836	770	16,098	6,466	0	5,411,978	4,868,209
\$ 2,093	\$ 2,367	\$ 22,103	\$ 1,932	\$ 347	\$ 5,671,616	\$ 5,411,978

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
For the year ended December 31, 2000

	Streets and Highways Fund			Police and Fire Pensions Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 848,000	\$ 846,021	\$ (1,979)	\$ 2,285,550	\$ 2,317,569	\$ 32,019
Licenses and permits						
Intergovernmental	610,000	636,788	26,788			
Charges for services		9,776	9,776			
Fines and forfeits						
Special assessments		2,039	2,039			
Interest						
Miscellaneous		558	558			
Total revenues	1,458,000	1,495,182	37,182	2,285,550	2,317,569	32,019
Expenditures						
Current						
Public safety				2,346,947	2,283,009	63,938
Health						
Culture and recreation						
Community environment						
Highways and streets	2,673,847	2,463,794	210,053			
General government						
Total expenditures	2,673,847	2,463,794	210,053	2,346,947	2,283,009	63,938
Excess of revenues over (under) expenditures	(1,215,847)	(968,612)	247,235	(61,397)	34,560	95,957
Other financing sources (uses)						
Other reimbursements	195,000	162,017	(32,983)			
Operating transfers, in	900,000	800,000	(100,000)			
Operating transfers, out	(145,733)	(114,213)	31,520			
Net other financing sources (uses)	949,267	847,804	(101,463)	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(266,580)	(120,808)	145,772	(61,397)	34,560	95,957
Decertification of prior year encumbrances		5,646	5,646			
Fund balance (deficit), January 1	413,504	413,504		523,348	523,348	
Fund balance (deficit), December 31	\$ 146,924	\$ 298,342	\$ 151,418	\$ 461,951	\$ 557,908	\$ 95,957

Enforcement and Education Fund			Litter Control Grant Fund			Office on Aging Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$ 56,598	\$ 45,278	\$ (11,320)	\$ 377,825	\$ 377,165	\$ (660)
\$ 11,000	\$ 7,551	\$ (3,449)						
						201,868	222,355	20,487
11,000	7,551	(3,449)	56,598	45,278	(11,320)	579,693	599,520	19,827
10,000	8,372	1,628				1,682,740	1,675,421	7,319
			73,704	68,503	5,201			
10,000	8,372	1,628	73,704	68,503	5,201	1,682,740	1,675,421	7,319
1,000	(821)	(1,821)	(17,106)	(23,225)	(6,119)	(1,103,047)	(1,075,901)	27,146
						6,000	4,181	(1,819)
			17,106	17,106		1,075,000	1,075,000	
0	0	0	17,106	17,106	0	1,081,000	1,079,181	(1,819)
1,000	(821)	(1,821)	0	(6,119)	(6,119)	(22,047)	3,280	25,327
							2,112	2,112
43,661	43,661		20,208	20,208		55,287	55,287	
\$ 44,661	\$ 42,840	\$ (1,821)	\$ 20,208	\$ 14,089	\$ (6,119)	\$ 33,240	\$ 60,679	\$ 27,439

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
For the year ended December 31, 2000

	Community Development Block Grant Fund			Community Festival Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Licenses and permits						
Intergovernmental	\$ 5,623,357	\$ 2,927,841	\$ (2,695,516)			
Charges for services						
Fines and forfeits						
Special assessments						
Interest						
Miscellaneous				\$ 4,000	\$ 4,000	\$ 0
Total revenues	5,623,357	2,927,841	(2,695,516)	4,000	4,000	0
Expenditures						
Current						
Public safety						
Health						
Culture and recreation				10,000	9,146	854
Community environment	5,024,998	3,356,478	1,668,520			
Highways and streets						
General government						
Total expenditures	5,024,998	3,356,478	1,668,520	10,000	9,146	854
Excess of revenues over (under) expenditures	598,359	(428,637)	(1,026,996)	(6,000)	(5,146)	854
Other financing sources (uses)						
Other reimbursements						
Operating transfers, in				5,000	5,000	
Operating transfers, out	(66,828)	(50,174)	16,654			
Net other financing sources (uses)	(66,828)	(50,174)	16,654	5,000	5,000	0
Excess of revenues and other sources over (under) expenditures and other uses	531,531	(478,811)	(1,010,342)	(1,000)	(146)	854
Decertification of prior year encumbrances		52,677	52,677			
Fund balance (deficit), January 1	(531,531)	(531,531)		3,891	3,891	
Fund balance (deficit), December 31	\$ 0	\$ (957,665)	\$ (957,665)	\$ 2,891	\$ 3,745	\$ 854

Children's Trust Grant Fund			Law and Drug Enforcement Fund			Emergency Shelter Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 49,351	\$ 44,649	\$ (4,702)				\$ 184,045	\$ 129,173	\$ (54,872)
			\$ 5,000	\$ 9,026	\$ 4,026			
			250	1,487	1,237			
49,351	44,649	(4,702)	5,250	10,513	5,263	184,045	129,173	(54,872)
			55,500	40,464	15,036			
49,351	53,720	(4,369)				116,978	116,915	63
49,351	53,720	(4,369)	55,500	40,464	15,036	116,978	116,915	63
	(9,071)	(9,071)	(50,250)	(29,951)	20,299	67,067	12,258	(54,809)
			20,000	25,593	5,593			
			(2,455)	(2,455)				
0	0	0	17,545	23,138	5,593	0	0	0
	(9,071)	(9,071)	(32,705)	(6,813)	25,892	67,067	12,258	(54,809)
				1,061	1,061			
12,574	12,574		160,125	160,125		(67,067)	(67,067)	
\$ 12,574	\$ 3,503	\$ (9,071)	\$ 127,420	\$ 154,373	\$ 26,953	\$ 0	\$ (54,809)	\$ (54,809)

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
For the year ended December 31, 2000

	Indigent Drivers Alcohol Treatment Fund			Political Subdivision Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeits	\$ 18,000	\$ 18,194	\$ 194	\$ 6,000	\$ 4,592	\$ (1,408)
Special assessments						
Interest						
Miscellaneous						
Total revenues	18,000	18,194	194	6,000	4,592	(1,408)
Expenditures						
Current						
Public Safety						
Health						
Culture and recreation						
Community environment						
Highways and streets						
General government	10,000	4,500	5,500			
Total expenditures	10,000	4,500	5,500	0	0	0
Excess of revenues over (under) expenditures	8,000	13,694	5,694	6,000	4,592	(1,408)
Other financing sources (uses)						
Other reimbursements						
Operating transfers, in						
Operating transfers, out				(7,000)	(7,000)	
Net other financing sources (uses)	0	0	0	(7,000)	(7,000)	0
Excess of revenues and other sources over (under) expenditures and other uses	8,000	13,694	5,694	(1,000)	(2,408)	(1,408)
Decertification of prior year encumbrances						
Fund balance (deficit), January 1	129,921	129,921		4,830	4,830	
Fund balance (deficit), December 31	\$ 137,921	\$ 143,615	\$ 5,694	\$ 3,830	\$ 2,422	\$ (1,408)

Bureau of Justice Grant Fund			Computer Research and Maintenance Fund			Little Links Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 22,093	\$ 22,093		\$ 57,500	\$ 54,116	\$ (3,384)			
900	445	\$ (455)				\$ 16,500	\$ 16,365	\$ (135)
22,993	22,538	(455)	57,500	54,116	(3,384)	16,500	16,365	(135)
22,093	0	22,093						
						18,296	17,084	1,212
			55,000	74,573	(19,573)			
22,093	0	22,093	55,000	74,573	(19,573)	18,296	17,084	1,212
900	22,538	21,638	2,500	(20,457)	(22,957)	(1,796)	(719)	1,077
2,455	2,455							
2,455	2,455	0	0	0	0	0	0	0
3,355	24,993	21,638	2,500	(20,457)	(22,957)	(1,796)	(719)	1,077
6,592	6,592		210,704	210,704		2,813	2,813	
\$ 9,947	\$ 31,585	\$ 21,638	\$ 213,204	\$ 190,247	\$ (22,957)	\$ 1,017	\$ 2,094	\$ 1,077

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
For the year ended December 31, 2000

	Lakewood Hospital Fund			Just Friends Grant Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Licenses and permits	\$ 47,615	\$ 46,903	\$ (712)			
Intergovernmental	18,000	28,255	10,255			
Charges for services	1,566,010	1,865,826	299,816			
Fines and forfeits						
Special assessments						
Interest						
Miscellaneous		4,965	4,965			
Total revenues	1,631,625	1,945,949	314,324	\$ 0	\$ 0	\$ 0
Expenditures						
Current						
Public Safety	1,058,225	1,056,007	2,218			
Health	500,645	491,806	8,839			
Culture and recreation						
Community environment						
Highways and streets						
General government						
Total expenditures	1,558,870	1,547,813	11,057	0	0	0
Excess of revenues over (under) expenditures	72,755	398,136	325,381	0	0	0
Other financing sources (uses)						
Other reimbursements						
Operating transfers, in						
Operating transfers, out	(129,215)	(95,336)				
Net other financing sources (uses)	(129,215)	(95,336)	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(56,460)	302,800	325,381	0	0	0
Decertification of prior year encumbrances		2,196	2,196			
Fund balance (deficit), January 1	387,808	387,808		1,866	1,866	
Fund balance (deficit), December 31	\$ 331,348	\$ 692,804	\$ 327,577	\$ 1,866	\$ 1,866	\$ 0

St. Ann's Grant Fund			Violence Prevention Grant Fund			Juvenile Accountability Incentive Block Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$ 19,300	\$ 16,137	\$ (3,163)	\$ 17,730	\$ 0	\$ (17,730)
\$ 0	\$ 0	\$ 0	19,300	16,137	(3,163)	17,730	0	(17,730)
30,000	32,901	(2,901)	17,940	16,897	1,043	31,527	9,958	21,569
30,000	32,901	(2,901)	17,940	16,897	1,043	31,527	9,958	21,569
(30,000)	(32,901)	(2,901)	1,360	(760)	(2,120)	(13,797)	(9,958)	3,839
						2,055	2,055	
0	0	0	0	0	0	2,055	2,055	0
(30,000)	(32,901)	(2,901)	1,360	(760)	(2,120)	(11,742)	(7,903)	3,839
	2	2						
30,000	30,000		(1,360)	(1,360)		11,742	11,742	
\$ 0	\$ (2,899)	\$ (2,899)	\$ 0	\$ (2,120)	\$ (2,120)	\$ 0	\$ 3,839	\$ 3,839

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
For the year ended December 31, 2000

	Byrne Memorial Grant Fund			Help To Others Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Licenses and permits						
Intergovernmental	\$ 60,530	\$ 69,519	\$ 8,989			
Charges for services						
Fines and forfeits						
Special assessments						
Interest						
Miscellaneous				\$ 34,458	\$ 20,621	\$ (13,837)
Total revenues	60,530	69,519	8,989	34,458	20,621	(13,837)
Expenditures						
Current						
Public Safety						
Health						
Culture and recreation						
Community environment	69,085	75,015	(5,930)	33,280	20,996	12,284
Highways and streets						
General government						
Total expenditures	69,085	75,015	(5,930)	33,280	20,996	12,284
Excess of revenues over (under) expenditures	(8,555)	(5,496)	3,059	1,178	(375)	(1,553)
Other financing sources (uses)						
Other reimbursements						
Operating transfers, in	17,271	17,271				
Operating transfers, out						
Net other financing sources (uses)	17,271	17,271	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	8,716	11,775	3,059	1,178	(375)	(1,553)
Decertification of prior year encumbrances		40	40			
Fund balance (deficit), January 1	(8,716)	(8,716)		0	0	
Fund balance (deficit), December 31	\$ 0	\$ 3,099	\$ 3,099	\$ 1,178	\$ (375)	\$ (1,553)

Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,133,550	\$ 3,163,590	\$ 30,040
47,615	46,903	(712)
7,038,829	4,296,898	(2,741,931)
1,566,010	1,875,602	309,592
97,500	93,479	(4,021)
	2,039	2,039
900	445	(455)
257,076	270,351	13,275
12,141,480	9,749,307	(2,392,173)
3,492,765	3,387,852	104,913
2,232,736	2,220,947	11,789
10,000	9,146	854
5,415,808	3,714,747	1,701,061
2,673,847	2,463,794	210,053
65,000	79,073	(14,073)
13,890,156	11,875,559	2,014,597
(1,748,676)	(2,126,252)	(377,576)
221,000	191,791	(29,209)
2,018,887	1,918,887	(100,000)
(351,231)	(269,178)	82,053
1,888,656	1,841,500	(47,156)
139,980	(284,752)	(424,732)
	63,734	63,734
1,410,200	1,410,200	
<u>\$ 1,550,180</u>	<u>\$ 1,189,182</u>	<u>\$ (360,998)</u>

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CITY OF LAKEWOOD, OHIO

Capital Projects Funds

Capital projects funds are established to account for the acquisition and construction of major capital facilities and equipment other than those financed by Proprietary Funds.

Permanent Capital Improvement Fund	To account for the acquisition of equipment and the construction of general fixed assets of the City.
Downtown Development Fund	To account for the acquisition and demolition of properties necessary to proceed with the development of a downtown shopping center.
Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
Land Acquisition Fund	To account for the acquisition of properties purchased by the City to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Capital Projects Funds
 December 31, 2000

	Totals				
	Permanent Capital Improvement Fund	Downtown Development Fund	Lakelhouse Breakwall Fund	Land Acquisition Fund	1999
Assets					
Cash and cash equivalents	\$ 2,295,204		\$ 7,858	\$ 50,000	\$ 2,176,560
Special assessments receivable			137,214		181,925
Due from other funds	\$ 200,900				200,900
Total assets	\$ 2,295,204	\$ 200,900	\$ 145,072	\$ 50,000	\$ 2,559,385
Liabilities					
Accounts payable	\$ 390,234				\$ 535,941
Due to other funds	967,624				967,624
Deferred revenue			\$ 137,214		181,925
Notes payable	829,000				3,445,000
Total liabilities	2,186,858		137,214		5,130,490
Fund balance (deficit)					
Reserved for encumbrances	1,141,823				638,444
Undesignated and unreserved	(1,033,477)	\$ 200,900	7,858	\$ 50,000	(3,209,549)
Total fund balance (deficit)	108,346	200,900	7,858	50,000	(2,571,105)
Total liabilities and fund balance	\$ 2,295,204	\$ 200,900	\$ 145,072	\$ 50,000	\$ 2,559,385

CITY OF LAKEWOOD, OHIO
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
 All Capital Projects Funds
 For the year ended December 31, 2000

	Totals					
	Permanent Capital Improvement Fund	Downtown Development Fund	Lakewood Breakwall Fund	Land Acquisition Fund	2000	1999
Revenues						
Intergovernmental						
Special assessments	\$ 26,684		\$ 44,711		\$ 71,395	\$ 7,500
Total revenues	26,684		44,711		71,395	54,271
Expenditures						
Current						
General government						
Capital outlay	1,795,850				1,795,850	260,000
Debt service						
Principal retirement			35,000		35,000	35,000
Interest and fiscal charges			7,913		7,913	9,610
Total expenditures	1,795,850		42,913		1,838,763	2,895,733
Excess of revenues over (under) expenditures	(1,769,166)		1,798		(1,767,368)	(2,841,462)
Other financing sources (uses)						
Proceeds of general obligation notes	2,921,000				2,921,000	
Operating transfers, in	2,942,340			\$ 50,000	2,992,340	1,001,000
Operating transfers, out	(1,207,763)				(1,207,763)	(268,567)
Net other financing sources (uses)	4,655,577			50,000	4,705,577	732,433
Excess of revenues and other sources over (under) expenditures and other uses	2,886,411		1,798	50,000	2,938,209	(2,109,029)
Fund balance (deficit), January 1	(2,778,065)	\$ 200,900	6,060	0	(2,571,105)	(462,076)
Fund balance (deficit), December 31	\$ 108,346	\$ 200,900	\$ 7,858	\$ 50,000	\$ 367,104	\$ (2,571,105)

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds
For the year ended December 31, 2000

	Permanent Capital Improvement Fund			Downtown Development Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	\$ 258,400		\$ (258,400)			
Special assessments		\$ 26,684	26,684			
Total revenues	258,400	26,684	(231,716)	\$ 0	\$ 0	\$ 0
Expenditures						
Capital outlay	4,067,508	2,452,721	1,614,787			
Debt service						
Total expenditures	4,067,508	2,452,721	1,614,787	0	0	0
Excess of revenues over (under) expenditures	(3,809,108)	(2,426,037)	1,383,071	0	0	0
Other financing sources (uses)						
Proceeds from general obligation notes	2,829,340	2,829,340				
Other reimbursements		1,531	1,531			
Operating transfers, in	63,000	418,000	355,000			
Operating transfers, out	(87,763)	(1,207,763)	(1,120,000)			
Net other financing sources (uses)	2,804,577	2,041,108	(763,469)	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(1,004,531)	(384,929)	619,602	0	0	0
Decertification of prior year encumbrances		143,545	143,545			
Fund balance, January 1	1,004,531	1,004,531		0	0	
Fund balance, December 31	\$ 0	\$ 763,147	\$ 763,147	\$ 0	\$ 0	\$ 0

Lakehouse Breakwall Fund			Land Acquisition Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
						\$ 258,400		\$ (258,400)
\$ 45,204	\$ 44,711	\$ (493)				45,204	\$ 71,395	26,191
45,204	44,711	(493)	\$ 0	\$ 0	\$ 0	303,604	71,395	(232,209)
						4,067,508	2,452,721	1,614,787
42,913	42,912	1				42,913	42,912	1
42,913	42,912	1	0	0	0	4,110,421	2,495,633	1,614,788
2,291	1,799	(492)	0	0	0	(3,806,817)	(2,424,238)	1,382,579
						2,829,340	2,829,340	
			50,000	50,000			1,531	1,531
						113,000	468,000	355,000
						(87,763)	(1,207,763)	(1,120,000)
0	0	0	50,000	50,000	0	2,854,577	2,091,108	(763,469)
2,291	1,799	(492)	50,000	50,000	0	(952,240)	(333,130)	619,110
							143,545	143,545
6,060	6,060		0	0		1,010,591	1,010,591	
\$ 8,351	\$ 7,859	\$ (492)	\$ 50,000	\$ 50,000	\$ 0	\$ 58,351	\$ 821,006	\$ 762,655

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CITY OF LAKEWOOD, OHIO

Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated by user charges for goods or services provided primarily to the general public.

Water Fund	To account for the provision of water distribution to the residential and commercial users in the City.
Sewer and Wastewater Fund	To account for the sanitary sewer services provided to the residential and commercial users of the City.
Parking Facilities Fund	To account for the off-street parking services provided by the City.
Congregational Living Facility Fund	To account for rental income and the cost of providing residential accommodations for senior citizens.
Winterhurst Ice Rink Fund	To account for the revenues and costs of operating the municipal ice rink facility.

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Enterprise Funds
December 31, 2000

	Totals					
	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	1999
Assets						
Current assets						
Cash and cash equivalents	\$ 713,907	\$ 163,833	\$ 6,559	\$ 862	\$ 5,873	\$ 789,931
Investments	2,947,272	2,791,457	106,230	14,691	82,693	5,764,963
Receivables						
Taxes		1,439,921				1,439,921
Accounts	1,063,795	464,738			74,673	1,270,486
Other	(40,384)	(17,642)	5,456			1,603,206
Less allowance for doubtful accounts						5,456
Receivables, net	1,023,411	1,887,017	5,456		74,673	(58,026)
Due from other funds			270,067			270,067
Total current assets	4,684,590	4,842,307	388,312	15,553	163,239	10,094,001
Restricted cash and cash equivalents	755,412					755,412
Deferred bond issuance costs	228,282					345,191
Fixed assets						
Land and land improvements	120,608	55,482	2,353,296	21,980	107,800	2,659,166
Utility plant in service	20,847,020	35,000,073				55,847,093
Buildings, structures, and improvements	1,308,354	1,256,102	166,389	32,122	2,194,529	4,957,496
Machinery and equipment	1,221,321	8,040,090	535		166,930	9,428,876
Less accumulated depreciation	(4,607,651)	(19,347,524)	(513,789)	(16,168)	(851,940)	(25,337,072)
Fixed assets, net	18,889,652	25,004,223	2,006,431	37,934	1,617,319	47,555,559
Construction in progress	816,904	1,643,165				3,769,820
Total assets	\$ 25,374,840	\$ 31,591,539	\$ 2,394,743	\$ 53,487	\$ 3,105,374	\$ 62,519,983
						\$ 60,781,894

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Enterprise Funds
December 31, 2000

	Totals						
	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	2000	1999
Liabilities							
Current liabilities							
Accounts payable	\$ 620,440	\$ 177,236	\$ 45,860	\$ 4,494	\$ 88,529	\$ 936,559	\$ 1,117,548
Due to other funds	122,557	66,953	5,289	2,003	3,052	199,854	175,156
Due to other governments		330,548	13,336	1,432		345,316	364,831
Accrued wages and benefits	84,202	162,920	14,361		74,773	336,256	409,810
Accrued interest	180,221	36,829			5,349	222,399	232,775
Current portion of long-term debt	285,000	460,000			1,800	746,800	832,800
Total current liabilities	1,292,420	1,234,486	78,846	7,929	173,503	2,787,184	3,132,920
Deferred revenue		1,385,396				1,385,396	1,213,669
Debt, net of current maturities							
Loans payable	3,387,477	647,925				4,035,402	2,901,773
General obligation, mortgage revenue and refunding bonds payable	5,835,000	6,397,387			1,290,400	13,522,787	14,238,440
Total liabilities	10,514,897	9,665,194	78,846	7,929	1,463,903	21,730,769	21,486,802
Fund equity							
Contributed capital - City of Lakewood	2,213,451	9,012,809	2,053,742	30,792	1,598,408	14,909,202	15,370,666
Retained earnings							
Unreserved	12,646,492	12,913,536	262,155	14,766	43,063	25,880,012	23,924,426
Total retained earnings	12,646,492	12,913,536	262,155	14,766	43,063	25,880,012	23,924,426
Total fund equity	14,859,943	21,926,345	2,315,897	45,558	1,641,471	40,789,214	39,295,092
Total liabilities and fund equity	\$ 25,374,840	\$ 31,591,539	\$ 2,394,743	\$ 53,487	\$ 3,105,374	\$ 62,519,983	\$ 60,781,894

CITY OF LAKEWOOD, OHIO
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - All Enterprise Funds
 For the year ended December 31, 2000

	Totals						
	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Risk Fund	2000	1999
Operating revenues							
Charges for services	\$ 8,505,158	\$ 3,583,053	\$ 276,777	\$ 8,100	\$ 876,368	\$ 13,249,456	\$ 13,647,736
Other operating revenue	1,004	3	2,518		115	3,640	21,665
Total operating revenues	8,506,162	3,583,056	279,295	8,100	876,483	13,253,096	13,669,401
Operating expenses							
Personal services	783,723	1,497,306	117,630		365,452	2,764,111	2,716,340
Benefit payments	180,395	386,272	30,090		68,843	665,600	689,313
Purchased water	5,223,355					5,223,355	5,329,862
Heat, light, and power	25,677	388,465	20,558	3,201	276,773	714,674	638,160
Contractual services	18,068	124,511			6,555	149,134	218,182
Supplies and materials	179,850	313,883	20,584	616	51,712	566,645	603,024
Depreciation	448,875	872,133	69,958	601	51,723	1,443,290	1,724,226
Other	111,937	562,591	81,497	5,296	87,420	848,741	966,887
Total operating expenses	6,971,880	4,145,161	340,317	9,714	908,478	12,375,550	12,885,994
Operating income (loss)	1,534,282	(562,105)	(61,022)	(1,614)	(31,995)	877,546	783,407
Nonoperating revenues (expenses)							
Interest income	57,369					57,369	48,241
Interest expense and fiscal charges	(401,963)	(441,296)			(51,397)	(894,656)	(943,525)
Tax revenue		1,284,290				1,284,290	1,282,377
Intergovernmental		169,573				169,573	168,842
Net nonoperating revenues (expenses)	(344,594)	1,012,567			(51,397)	616,576	555,935
Net income (loss)	1,189,688	450,462	(61,022)	(1,614)	(83,392)	1,494,122	1,339,342
Depreciation on fixed assets acquired by contributed capital		306,240	72,878	488	28,699	461,464	590,637
Increase (decrease) in retained earnings	1,242,847	756,702	11,856	(1,126)	(54,693)	1,955,586	1,929,979
Retained earnings, January 1	11,403,645	12,156,834	250,299	15,892	97,756	23,924,426	21,994,447
Retained earnings, December 31	\$ 12,646,492	\$ 12,913,536	\$ 262,155	\$ 14,766	\$ 43,063	\$ 25,880,012	\$ 23,924,426

CITY OF LAKEWOOD, OHIO
 Combining Statement of Cash Flows - All Enterprise Funds
 For the year ended December 31, 2000

	Totals						
	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Risk Fund	2000	1999
Cash flows from operating activities							
Cash received from customers	\$ 8,496,571	\$ 3,582,697	\$ 271,321	\$ 8,100	\$ 857,089	\$ 13,215,778	\$ 13,624,395
Cash paid to suppliers for goods and services	(5,500,734)	(765,928)	(35,226)	(4,723)	(281,359)	(6,587,970)	(6,739,183)
Cash paid to employees for services	(977,794)	(1,921,541)	(144,966)		(444,362)	(3,488,663)	(3,361,611)
Other operating revenues	1,004	12,703	2,518		115	16,340	20,830
Other operating expenses	(208,373)	(720,252)	(83,482)	(3,876)	(80,353)	(1,096,336)	(853,576)
Net cash provided by (used for) operating activities	1,810,674	187,679	10,165	(499)	51,130	2,059,149	2,690,855
Cash flows from non-capital financing activities							
Intergovernmental revenue		169,574				169,574	168,842
Tax revenue		1,286,581				1,286,581	1,284,822
Net cash provided by non-capital financing activities		1,456,155				1,456,155	1,453,664
Cash flows from capital and related financing activities							
Acquisition and construction of capital assets	(940,788)	(542,647)			(40,854)	(1,524,289)	(1,437,658)
Principal paid on bonds and notes	(406,212)	(476,777)			(1,800)	(884,789)	(878,087)
Interest and fiscal charges paid on bonds and notes	(391,316)	(391,171)			(64,249)	(846,736)	(899,852)
Net cash used for capital and related financing activities	(1,738,316)	(1,410,595)			(106,903)	(3,255,814)	(3,215,597)
Cash flows from investing activities							
Earnings on investments	57,369					57,369	59,200
Purchases of investments	(2,947,272)	(2,791,457)	(106,230)	(14,691)	(82,693)	(5,942,343)	(5,764,963)
Proceeds of investments	3,145,723	2,387,472	90,432	14,145	127,191	5,764,963	2,948,106
Net cash provided by (used for) investing activities	255,820	(403,985)	(15,798)	(546)	44,498	(120,011)	(2,757,657)
Net increase (decrease) in cash and cash equivalents	328,178	(170,746)	(5,633)	(1,045)	(11,275)	139,479	(1,828,735)
Cash and cash equivalents, January 1	1,141,141	334,579	12,192	1,907	17,148	1,506,967	3,335,702
Cash and cash equivalents, December 31	\$ 1,469,319	\$ 163,833	\$ 6,559	\$ 862	\$ 5,873	\$ 1,646,446	\$ 1,506,967

CITY OF LAKEWOOD, OHIO
 Combining Statement of Cash Flows - All Enterprise Funds
 For the year ended December 31, 2000

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Risk Fund	Totals
						2000
						1999
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 1,534,282	\$ (562,105)	\$ (61,022)	\$ (1,614)	\$ (31,995)	\$ 877,546
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	448,875	872,133	69,958	601	51,723	1,443,290
Increase (decrease) in allowance for doubtful accounts	3,339	893				4,232
Change in assets and liabilities	(8,587)	12,344	(5,456)		(19,279)	(15,522)
(Increase) decrease in accounts receivable						(5,456)
(Increase) decrease in other receivables						2,155
(Increase) decrease in due from other funds	7,190	11,645	3,850		2,013	120
Increase (decrease) in due to other funds	(157,895)	(100,263)	811	514	60,748	31,063
Increase (decrease) in accounts payable						(196,085)
Increase (decrease) in accrued wages and benefits	(16,530)	(46,968)	2,024		(12,080)	12,859
Total adjustments	276,392	749,784	71,187	1,115	83,125	1,181,603
Net cash provided by (used for) operating activities	\$ 1,810,674	\$ 187,679	\$ 10,165	\$ (499)	\$ 51,130	\$ 2,059,149
Reconciliation of cash and cash equivalents						
Per the balance sheet	\$ 713,907	\$ 163,833	\$ 6,559	\$ 862	\$ 5,873	\$ 891,034
Cash and cash equivalents	755,412					755,412
Restricted cash						
Cash and cash equivalents per statement of cash flows	\$ 1,469,319	\$ 163,833	\$ 6,559	\$ 862	\$ 5,873	\$ 1,646,446
Supplemental schedule of non-cash activities						
Fixed assets acquired by payments made by others on behalf of the City	\$ 536,213	\$ 630,765	\$ 0	\$ 0	\$ 0	\$ 1,166,978
Total non-cash transactions	\$ 536,213	\$ 630,765	\$ 0	\$ 0	\$ 0	\$ 1,166,978

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Equity
Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds
For the year ended December 31, 2000

	Water Fund			Sewer and Wastewater Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes				\$ 1,270,704	\$ 1,286,581	\$ 15,877
Intergovernmental				166,740	169,575	2,835
Charges for services	\$ 9,020,600	\$ 8,496,573	\$ (524,027)	3,804,818	3,595,403	(209,415)
Special assessments	1,000		(1,000)			
Interest	45,000	57,369	12,369			
Total revenues	9,066,600	8,553,942	(512,658)	5,242,262	5,051,559	(190,703)
Expenses						
Current						
Health						
Culture and recreation						
Sanitation	7,464,258	6,737,024	727,234	3,267,510	2,981,532	285,978
Highways and streets						
Capital outlay	997,627	730,864	266,763	915,225	626,343	288,882
Debt service	926,006	793,422	132,584	886,790	867,948	18,842
Total expenses	9,387,891	8,261,310	1,126,581	5,069,525	4,475,823	593,702
Excess of revenues over (under) expenses	(321,291)	292,632	613,923	172,737	575,736	402,999
Other financing sources (uses)						
Other reimbursements	1,000	1,004	4		12,700	12,700
Operating transfers, out	(120,321)	(81,389)	38,932	(243,986)	(184,010)	59,976
Net other financing sources (uses)	(119,321)	(80,385)	38,936	(243,986)	(171,310)	72,676
Excess of revenues and other sources over (under) expenses and other uses	(440,612)	212,247	652,859	(71,249)	404,426	475,675
Decertification of prior year encumbrances		5,928	5,928		32,415	32,415
Fund equity, January 1	3,737,776	3,737,776		2,006,677	2,006,677	
Fund equity, December 31	\$ 3,297,164	\$ 3,955,951	\$ 658,787	\$ 1,935,428	\$ 2,443,518	\$ 508,090

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Equity
Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds
For the year ended December 31, 2000

	Parking Facilities Fund			Congregational Living Facility Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Intergovernmental						
Charges for services	\$ 273,500	\$ 273,840	\$ 340	\$ 8,100	\$ 8,100	
Special assessments						
Interest						
Total revenues	273,500	273,840	340	8,100	8,100	\$ 0
Expenses						
Current						
Health				10,920	8,795	2,125
Culture and recreation						
Sanitation						
Highways and streets	266,257	252,079	14,178			
Capital outlay				10,000		10,000
Debt service						
Total expenses	266,257	252,079	14,178	20,920	8,795	12,125
Excess of revenues over (under) expenses	7,243	21,761	14,518	(12,820)	(695)	12,125
Other financing sources (uses)						
Other reimbursements						
Operating transfers, out	(19,503)	(14,780)	4,723			
Net other financing sources (uses)	(19,503)	(14,780)	4,723	0	0	0
Excess of revenues and other sources over (under) expenses and other uses	(12,260)	6,981	19,241	(12,820)	(695)	12,125
Decertification of prior year encumbrances						
Fund equity, January 1	102,624	102,624		16,052	16,052	
Fund equity, December 31	\$ 90,364	\$ 109,605	\$ 19,241	\$ 3,232	\$ 15,357	\$ 12,125

Winterhurst Ice Rink Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$ 1,270,704	\$ 1,286,581	\$ 15,877
			166,740	169,575	2,835
\$ 928,695	\$ 857,205	\$ (71,490)	14,035,713	13,231,121	(804,592)
			1,000		(1,000)
			45,000	57,369	12,369
928,695	857,205	(71,490)	15,519,157	14,744,646	(774,511)
			10,920	8,795	2,125
820,975	764,213	56,762	820,975	764,213	56,762
			10,731,768	9,718,556	1,013,212
			266,257	252,079	14,178
54,662	55,832	(1,170)	1,977,514	1,413,039	564,475
66,055	66,049	6	1,878,851	1,727,419	151,432
941,692	886,094	55,598	15,686,285	13,884,101	1,802,184
(12,997)	(28,889)	(15,892)	(167,128)	860,545	1,027,673
			1,000	13,704	12,704
(20,011)	(22,301)	(2,290)	(403,821)	(302,480)	101,341
(20,011)	(22,301)	(2,290)	(402,821)	(288,776)	114,045
(33,008)	(51,190)	(18,182)	(569,949)	571,769	1,141,718
	6,418	6,418		44,761	44,761
118,694	118,694		5,981,823	5,981,823	
\$ 85,686	\$ 73,922	\$ (11,764)	\$ 5,411,874	\$ 6,598,353	\$ 1,186,479

CITY OF LAKEWOOD, OHIO

Internal Service Funds

Internal Service Funds are established to account for the financing of significant goods or services provided by one department or agency to other departments or agencies of the City, or other governments on a cost reimbursement basis.

General Insurance Fund	To account for the funds reserved to finance potential losses on property and liability cases.
Recreational Insurance Fund	To account for the funds reserved to finance potential losses on recreational liability cases.
Hospitalization Fund	To account for the premiums charged to City funds and the payments incurred for hospitalization insurance provided as an employee benefit.
Workers Compensation Fund	To account for workers' compensation costs incurred under the State's retrospectively rated workers' compensation program.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Internal Service Funds
 December 31, 2000

	Totals				
	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	1999
Assets					
Cash and cash equivalents	\$ 24,532	\$ 13,499	\$ 28,942	\$ 94,364	\$ 329,229
Investments	428,003	230,013	493,131	1,607,827	2,432,834
Other receivables	17,499		414,042	601,027	12,390
Due from other funds			29,943		870,931
Prepaid items					13,745
Total assets	\$ 470,034	\$ 243,512	\$ 966,058	\$ 2,303,218	\$ 3,659,129
Liabilities					
Current liabilities					
Accounts payable			\$ 4,202		\$ 4,202
Claims payable					\$ 13,612
Total current liabilities			4,202		13,612
Reserve for claims	\$ 23,000	\$ 3,000	\$ 414,041	\$ 1,456,807	\$ 1,841,940
Total liabilities	23,000	3,000	418,243	1,456,807	1,855,552
Fund equity					
Contributed capital - City of Lakewood	500,000	250,000			750,000
Retained earnings (deficit)	(52,966)	(9,488)	547,815	846,411	1,053,577
Total retained earnings (deficit)	(52,966)	(9,488)	547,815	846,411	1,053,577
Total fund equity	447,034	240,512	547,815	846,411	1,803,577
Total liabilities and fund equity	\$ 470,034	\$ 243,512	\$ 966,058	\$ 2,303,218	\$ 3,659,129

CITY OF LAKEWOOD, OHIO
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Deficit) - All Internal Service Funds
 For the year ended December 31, 2000

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals	
					2000	1999
Operating revenues						
Charges for services			\$ 2,943,816	\$ 295,142	\$ 3,238,958	\$ 2,587,499
Other operating revenue						391,505
Total operating revenues			2,943,816	295,142	3,238,958	2,979,004
Operating expenses						
Benefit payments				28,393	2,978,425	2,779,006
Other	3,385		2,950,032	27,709	31,094	68,769
Total operating expenses	3,385		2,950,032	56,102	3,009,519	2,847,775
Operating income (loss)	(3,385)		(6,216)	239,040	229,439	131,229
Nonoperating revenues (expenses)						
Interest income	48,756				48,756	8,247
Total nonoperating revenues	48,756				48,756	8,247
Net income (loss)	45,371		(6,216)	239,040	278,195	139,476
Retained earnings (deficit), January 1	(98,337)	\$ (9,488)	554,031	607,371	1,053,577	914,101
Retained earnings (deficit), December 31	\$ (52,966)	\$ (9,488)	\$ 547,815	\$ 846,411	\$ 1,331,772	\$ 1,053,577

CITY OF LAKEWOOD, OHIO
 Combining Statement of Cash Flows - All Internal Service Funds
 For the year ended December 31, 2000

	Totals			
	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund
	2000	2000	2000	1999
Cash flows from operating activities				
Cash received from customers	\$ (3,385)		\$ 2,530,978	\$ 295,142
Cash paid to suppliers for goods and services			(2,561,599)	(146,535)
Other operating expenses				(42,975)
Net cash provided by (used for) operating activities	(3,385)		(30,621)	114,601
Cash flows from investing activities				
Earnings on investments	24,471			20,306
Purchases of investments	(417,985)	\$ (230,013)	(493,131)	(1,607,827)
Proceeds of investments	371,364	214,582	487,032	1,369,014
Net cash used for investing activities	(22,150)	(15,431)	(6,099)	(238,813)
Net decrease in cash and cash equivalents	(25,535)	(15,431)	(36,720)	(90,206)
Cash and cash equivalents, January 1	50,067	28,930	65,662	184,570
Cash and cash equivalents, December 31	\$ 24,532	\$ 13,499	\$ 28,942	\$ 94,364
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ (3,385)		\$ (6,216)	\$ 239,040
Adjustments to reconcile operating income to net cash provided by operating activities				
Changes in assets and liabilities				
(Increase) decrease in due from other funds			(144,138)	(268,700)
(Increase) decrease in prepaid items			(16,198)	(751)
Increase (decrease) in accounts payable			4,202	(123,213)
Increase (decrease) in claims payable			(13,612)	13,612
Increase (decrease) in reserve for claims			145,341	(261,388)
Total adjustments	0		(24,405)	(90,433)
Net cash provided by (used for) operating activities	\$ (3,385)	\$ 0	\$ (30,621)	\$ (640,440)
Reconciliation of cash and cash equivalents				
Per the balance sheet	\$ 24,532	\$ 13,499	\$ 28,942	\$ 94,364
Cash and cash equivalents			161,337	329,229
Supplemental schedule of non-cash activities				
Net change in the fair value of investments	\$ 10,018		\$ 10,018	\$ (9,158)
Total non-cash transactions	\$ 10,018	\$ 0	\$ 10,018	\$ (9,158)

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Equity
Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds
For the year ended December 31, 2000

	General Insurance Fund			Recreational Insurance Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Interest	\$ 21,000	\$ 24,471	\$ 3,471			
Total revenues	21,000	24,471	3,471	\$ 0	\$ 0	\$ 0
Expenses						
Current						
Culture and recreation				10,000		10,000
Community environment	50,000	3,385	46,615			
General government						
Total expenses	50,000	3,385	46,615	10,000	0	10,000
Excess of revenues over (under) expenses	(29,000)	21,086	50,086	(10,000)	0	10,000
Other financing sources (uses)						
Other reimbursements						
Operating transfers, in						
Net other financing sources (uses)	0	0	0	0	0	0
Excess of revenues and other sources over (under) expenses and other uses	(29,000)	21,086	50,086	(10,000)	0	10,000
Decertification of prior year encumbrances						
Fund equity, January 1	421,431	421,431		243,512	243,512	
Fund equity, December 31	\$ 392,431	\$ 442,517	\$ 50,086	\$ 233,512	\$ 243,512	\$ 10,000

Hospitalization Fund			Workers Compensation Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
						\$ 21,000	\$ 24,471	\$ 3,471
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	21,000	24,471	3,471
						10,000		10,000
						50,000	3,385	46,615
3,074,000	2,552,647	521,353	590,276	142,368	447,908	3,664,276	2,695,015	969,261
3,074,000	2,552,647	521,353	590,276	142,368	447,908	3,724,276	2,698,400	1,025,876
(3,074,000)	(2,552,647)	521,353	(590,276)	(142,368)	447,908	(3,703,276)	(2,673,929)	1,029,347
						110,000	120,978	10,978
2,971,945	2,410,000	(561,945)	590,276	295,142	(295,134)	3,562,221	2,705,142	(857,079)
3,081,945	2,530,978	(550,967)	590,276	295,142	(295,134)	3,672,221	2,826,120	(846,101)
7,945	(21,669)	(29,614)	0	152,774	152,774	(31,055)	152,191	183,246
							1,125	1,125
							1,125	1,125
525,970	525,970		1,546,209	1,546,209		2,737,122	2,737,122	
\$ 533,915	\$ 504,301	\$ (29,614)	\$ 1,546,209	\$ 1,700,108	\$ 153,899	\$ 2,706,067	\$ 2,890,438	\$ 184,371

CITY OF LAKEWOOD, OHIO

Agency Funds

Agency Funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

Municipal Court Fund

To account for assets received and disbursed by the Municipal Court as agent or custodian relative to civil or criminal court matters.

Other Agency Funds

To hold in trust those funds held by the City and received from a contractor, developer, or individual to insure compliance with the ordinances of the City of Lakewood.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Agency Funds
 December 31, 2000

	Municipal Court Fund	Other Funds	Totals	
			2000	1999
Assets				
Cash and cash equivalents	\$ 63,444	\$ 806,914	\$ 870,358	\$ 369,085
Total assets	<u>\$ 63,444</u>	<u>\$ 806,914</u>	<u>\$ 870,358</u>	<u>\$ 369,085</u>
Liabilities				
Other liabilities	\$ 63,444	\$ 806,914	\$ 870,358	\$ 369,085
Total liabilities	<u>\$ 63,444</u>	<u>\$ 806,914</u>	<u>\$ 870,358</u>	<u>\$ 369,085</u>

CITY OF LAKEWOOD, OHIO
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the year ended December 31, 2000

	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
Municipal Court Fund				
Assets				
Cash and cash equivalents	\$ 66,568	\$ 2,241,066	\$ 2,244,190	\$ 63,444
Liabilities				
Other liabilities	\$ 66,568	\$ 2,241,066	\$ 2,244,190	\$ 63,444
Other Agency Funds				
Assets				
Cash and cash equivalents	\$ 302,517	\$ 646,234	\$ 141,837	\$ 806,914
Liabilities				
Other liabilities	\$ 302,517	\$ 646,234	\$ 141,837	\$ 806,914
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 369,085	\$ 2,887,300	\$ 2,386,027	\$ 870,358
Total assets	\$ 369,085	\$ 2,887,300	\$ 2,386,027	\$ 870,358
Liabilities				
Other liabilities	\$ 369,085	\$ 2,887,300	\$ 2,386,027	\$ 870,358
Total liabilities	\$ 369,085	\$ 2,887,300	\$ 2,386,027	\$ 870,358

CITY OF LAKEWOOD, OHIO
General Fixed Assets Account Group

The General Fixed Assets Account Group is a self balancing account group to account for the fixed assets owned by the City exclusive of those acquired by Proprietary Funds.

CITY OF LAKEWOOD, OHIO
Schedule of General Fixed Assets by Source
December 31, 2000

General Fixed Assets:

Land and land improvements	\$ 2,999,352
Buildings, structures and improvements	16,288,533
Machinery and equipment	14,259,618
Construction in progress	918,347
Total General Fixed Assets	<u>\$ 34,465,850</u>

Investment in General Fixed Assets from:

General Fund revenues	\$ 11,174,559
Special Revenue Fund revenues	3,354,995
General obligation bonds and notes	17,260,716
Federal grants	2,454,536
State and local grants	127,372
Donations	28,304
Transfers from Proprietary Funds	65,368
Total Investment in General Fixed Assets	<u>\$ 34,465,850</u>

CITY OF LAKEWOOD, OHIO
Schedule of Changes in General Fixed Assets by Function and Activity
For the year ended December 31, 2000

	General Fixed Assets January 1, 2000	Additions	Deletions	Transfers	General Fixed Assets December 31, 2000
Public safety					
Police	\$ 3,009,170	\$ 187,229	\$ (117,155)		\$ 3,079,244
Fire	6,904,926	127,843	(23,415)		7,009,354
Animal warden	239,329				239,329
Total Public safety	10,153,425	315,072	(140,570)		10,327,927
Health					
Traffic	509,202	50,570		\$ (654)	559,118
Office on aging	1,299,600	75,671	(7,268)		1,368,003
Human services	15,677	1,550			17,227
Health	97,437		(324)		97,113
Communications	90,283				90,283
Total Health	2,012,199	127,791	(7,592)	(654)	2,131,744
Culture and recreation					
Parks	6,607,192	82,154	(2,089)		6,687,257
Total Culture and recreation	6,607,192	82,154	(2,089)		6,687,257
Community environment					
Building	143,254	29,453	(6,175)	3,468	170,000
Community environment	837,112				837,112
Youth services	46,078	4,398		(1,718)	48,758
Planning and development	60,307		(669)		59,638
Litter prevention	23,126	9,470			32,596
Little links	11,690				11,690
Total Community environment	1,121,567	43,321	(6,844)	1,750	1,159,794
Sanitation					
Refuse	3,237,934	379,262	(23,826)		3,593,370
Total Sanitation	3,237,934	379,262	(23,826)		3,593,370
Highways and streets					
Streets	2,091,751	187,855			2,279,606
Total Highways and streets	2,091,751	187,855			2,279,606
General government					
Council	29,301	8,345			37,646
Courts	256,697	23,660	(17,059)	1,865	265,163
Civil service	4,830				4,830
Mayor	46,233			2,152	48,385
Human resources	28,884	60,503			89,387
Community relations	22,696	1,731		(2,152)	22,275
Public works	65,604			(1,498)	64,106
Land and buildings	6,024,962	345,760			6,370,722
Sidewalk repair	6,287				6,287
Fleet	71,358	69,454	(83,208)		57,604
Engineering	204,511			402	204,913
Finance	127,168				127,168
Information systems	696,793	195,953		(1,865)	890,881
Law	96,785				96,785
Total General government	7,682,109	705,406	(100,267)	(1,096)	8,286,152
Total General Fixed Assets	\$ 32,906,177	\$ 1,840,861	\$ (281,188)	\$ 0	\$ 34,465,850

CITY OF LAKEWOOD, OHIO
Schedule of General Fixed Assets by Function and Activity
December 31, 2000

	Land and Land Improvements	Buildings, Structures and Improvements	Machinery and Equipment	Construction in Progress	Total
Public safety					
Police		\$ 759,453	\$ 2,319,791		\$ 3,079,244
Fire	\$ 1,042,958	3,756,183	2,210,213		7,009,354
Animal warden		167,359	71,970		239,329
Total Public safety	1,042,958	4,682,995	4,601,974		10,327,927
Health					
Traffic		256,175	302,943		559,118
Office on aging	104,347	616,812	627,364	\$ 19,480	1,368,003
Human services			3,522	13,705	17,227
Health			97,113		97,113
Communications			90,283		90,283
Total Health	104,347	872,987	1,121,225	33,185	2,131,744
Culture and recreation					
Parks	1,084,603	4,851,142	751,512		6,687,257
Total Culture and recreation	1,084,603	4,851,142	751,512		6,687,257
Community environment					
Building			170,000		170,000
Community environment	615,114		221,998		837,112
Youth services			48,758		48,758
Planning and development			59,638		59,638
Litter prevention		12,850	19,746		32,596
Little links	10,645		1,045		11,690
Total Community environment	625,759	12,850	521,185		1,159,794
Sanitation					
Refuse	14,688	445,130	3,010,583	122,969	3,593,370
Total Sanitation	14,688	445,130	3,010,583	122,969	3,593,370
Highways and streets					
Streets		127,360	2,152,246		2,279,606
Total Highways and streets		127,360	2,152,246		2,279,606
General government					
Council			37,646		37,646
Courts			265,163		265,163
Civil service			4,830		4,830
Mayor			48,385		48,385
Human resources			89,387		89,387
Community relations			22,275		22,275
Public works			64,106		64,106
Land and buildings	126,997	5,296,069	284,230	663,426	6,370,722
Sidewalk repair			6,287		6,287
Fleet			57,604		57,604
Engineering			204,913		204,913
Finance			127,168		127,168
Information systems			792,114	98,767	890,881
Law			96,785		96,785
Total General government	126,997	5,296,069	2,100,893	762,193	8,286,152
Total General Fixed Assets	\$ 2,999,352	\$ 16,288,533	\$ 14,259,618	\$ 918,347	\$ 34,465,850

CITY OF LAKEWOOD, OHIO
Statistical Section

CITY OF LAKEWOOD, OHIO
General Fund Revenue By Source
Last Ten Fiscal Years

Fiscal Year	Licenses and Permits		Intergovernmental	Charges for Services	Fines and Forfeits	Special Assessments	Interest	Miscellaneous	Total
	Taxes								
1991	\$ 15,433,871	\$ 262,272	\$ 5,403,305	\$ 309,979	\$ 1,173,356	\$ 0	\$ 136,430	\$ 513,179	\$ 23,232,392
1992	16,548,823	513,215	6,227,229	302,825	1,065,253	1,041	67,380	710,040	25,435,806
1993	17,090,306	505,703	4,642,943	328,505	1,236,165	0	90,335	757,905	24,651,862
1994	17,420,800	497,104	4,353,710	407,255	1,137,522	0	129,181	1,653,810	25,599,382
1995	18,519,738	494,786	5,361,423	408,594	1,029,250	444	422,888	991,024	27,228,147
1996	18,553,753	524,842	5,394,859	406,135	1,157,842	215	471,228	981,013	27,489,887
1997	19,178,630	583,707	5,258,159	488,842	1,227,090	738	633,516	868,910	28,239,592
1998	20,339,872	626,923	5,885,167	407,674	1,258,381	364	915,507	876,681	30,310,569
1999	20,884,715	582,942	6,409,187	450,622	1,134,970	807	926,463	820,932	31,210,638
2000	21,495,682	586,032	6,260,603	450,501	1,085,734	443	1,636,919	781,167	32,297,081

CITY OF LAKEWOOD, OHIO
General Fund Expenditures By Function
Last Ten Fiscal Years

Fiscal Year	Public Safety	Health	Culture and				General Government	Capital Outlay	Total
			Recreation	Community Environment	Sanitation	Government			
1991	\$ 9,957,418	\$ 1,152,269	\$ 1,719,191	\$ 1,500,195	\$ 3,315,958	\$ 4,460,424	\$ 0	\$ 22,105,455	
1992	10,555,771	1,310,096	1,678,595	1,612,196	3,716,899	4,779,861	0	23,653,418	
1993	10,345,231	1,607,950	1,406,197	1,722,778	3,351,731	4,634,402	0	23,068,289	
1994	11,060,351	1,680,262	1,501,781	1,811,947	3,236,134	4,876,618	0	24,167,093	
1995	10,396,338	1,896,033	1,715,022	1,932,314	3,549,232	5,648,236	136,395	25,273,570	
1996	11,806,016	1,838,594	1,731,114	1,833,544	3,404,363	5,860,718	101,232	26,575,581	
1997	11,500,511	1,483,330	1,667,242	1,902,108	3,478,512	5,611,461	50,183	25,693,347	
1998	11,415,073	1,559,266	1,591,734	1,829,458	3,478,201	5,654,574	206,840	25,735,146	
1999	12,060,711	1,406,487	1,620,581	1,890,370	4,004,465	5,818,987	329,111	27,130,712	
2000	12,585,261	1,463,708	1,792,203	2,055,710	4,000,709	6,108,704	431,217	28,437,512	

CITY OF LAKEWOOD, OHIO
Ad Valorem Real Property Taxes - Levies and Collections
Last Ten Fiscal Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Accumulated Outstanding Delinquent Taxes	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1991	\$ 8,333,159	\$ 7,971,871	95.7%	\$ 342,079	4.1%
1992	9,784,261	9,442,464	96.5%	279,842	2.9%
1993	9,992,738	9,634,834	96.4%	327,103	3.3%
1994	9,999,539	9,623,095	96.2%	306,196	3.1%
1995	11,418,201	11,022,758	96.5%	320,934	2.8%
1996	11,566,075	11,157,257	96.5%	382,558	3.3%
1997	11,594,830	10,903,108	94.0%	378,054	3.3%
1998	12,473,945	11,784,898	94.5%	457,346	3.7%
1999	12,587,879	11,630,669	92.4%	436,824	3.5%
2000	12,007,848	11,715,488	97.6%	420,589	3.5%

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Assessed Valuations and Estimated True Values of Taxable Property
Last Ten Fiscal Years

Collection Year	Assessed Valuations				Total	Estimated True Value Taxable Property
	Real Property	Public Utility Property	Tangible Personal Property	Total		
1991	\$ 459,411,700	\$ 27,958,980	\$ 29,687,492	\$ 517,058,172	\$ 1,430,525,933	
1992	539,312,060	29,379,410	29,637,661	598,329,131	1,680,030,124	
1993	537,503,500	29,171,560	28,148,355	594,823,415	1,674,684,112	
1994	536,580,590	28,451,190	28,638,909	593,670,689	1,671,688,240	
1995	622,501,030	28,842,580	28,955,261	680,298,871	1,927,171,075	
1996	619,624,830	26,532,660	28,143,010	674,300,500	1,913,079,447	
1997	621,449,470	25,640,400	29,693,104	676,782,974	1,923,479,148	
1998	674,651,070	24,653,550	28,969,777	728,274,397	2,071,468,991	
1999	674,308,020	24,235,630	30,270,945	728,814,595	2,075,218,611	
2000	672,238,960	22,218,700	29,495,988	723,953,648	2,063,915,218	

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%; tangible personal property - 25%; public utility tangible personal property 88% or 100% of the true value, depending on the nature of the public utility.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

Tax Year/ Collection Year	City	Cuyahoga County	Lakewood City School District	Special * Taxing Districts	Total
1991/1992	16.60	12.32	85.50	4.48	118.90
1992/1993	17.10	12.32	85.50	4.48	119.40
1993/1994	17.10	12.32	85.50	4.48	119.40
1994/1995	17.10	12.32	86.00	4.48	119.90
1995/1996	17.30	12.12	91.60	4.48	125.50
1996/1997	17.30	12.12	91.60	4.48	125.50
1997/1998	17.30	12.12	91.40	4.48	125.30
1998/1999	17.30	10.82	91.40	4.48	124.00
1999/2000	17.30	10.82	96.20	4.48	128.80
2000/2001	17.30	11.72	95.80	4.48	129.30

* Cleveland Metropolitan Park District; Cuyahoga Community College District; and Cleveland-Cuyahoga County Port Authority.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Special Assessment Billings and Collections
Last Ten Fiscal Years

Collection Year	Billed	Collected Amount	Percent Collected
1991	\$ 112,471	\$ 101,615	90.35%
1992	127,863	132,406	103.55%
1993	141,388	138,952	98.28%
1994	181,600	143,779	79.17%
1995	140,481	137,719	98.03%
1996	125,426	124,671	99.40%
1997	95,303	97,402	102.20%
1998	74,820	76,185	101.82%
1999	55,867	53,027	94.92%
2000	67,378	64,553	95.81%

All amounts reflect only special assessments certified to the County Auditor's office and do not include amounts billed and collected directly by the City.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
 Ratio of Net General Bonded Debt to Assessed
 Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (1)	Gross Bonded Debt	Debt Service Monies Available	Bonded Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1991	59,718 *	\$ 517,058,172	\$ 13,736,000	\$ 764,691	\$ 8,926,000	\$ 4,045,309	0.78%	\$ 67.74
1992	59,718 *	598,329,131	27,243,000	673,229	14,474,500	12,095,271	2.02%	202.54
1993	59,718 *	594,823,415	25,245,000	767,125	13,508,000	10,969,875	1.84%	183.69
1994	59,718 *	593,670,689	23,295,000	862,899	12,556,500	9,875,601	1.66%	165.37
1995	59,718 *	680,298,871	38,010,000	0	17,715,000	20,295,000	2.98%	339.85
1996	59,718 *	674,300,500	36,055,000	1,255,410	16,299,000	18,500,590	2.74%	309.80
1997	59,718 *	676,782,974	34,120,000	1,465,329	15,398,000	17,256,671	2.55%	288.97
1998	59,718 *	728,274,397	38,805,000	1,099,474	16,242,800	21,462,726	2.95%	359.40
1999	59,718 *	728,814,595	36,810,000	1,978,231	15,445,000	19,386,769	2.66%	324.64
2000	56,646 *	723,953,648	34,680,000	2,023,608	14,612,200	18,044,192	2.49%	318.54

* U. S. Bureau of Census, Census of Population

1 Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
 Computation of Legal Debt Margin
 December 31, 2000

Gross Indebtedness		\$ 38,430,000
Less:		
G.O. Sewer System Bonds	7,200,000	
Water Revenue Bonds	6,120,000	
Recreation Facility Bonds	1,292,200	
Special Assessment Bonds	181,200	
Total Exempt Debt	14,793,400	
Net Indebtedness Subject to 10-1/2% Debt Limitation		\$ 23,636,600
Net Indebtedness Subject to 5-1/2% Debt Limitation		\$ 23,636,600
Assessed Valuation of City (1999 for 2000 Collection)		\$ 723,953,648
10-1/2% of Valuation (Maximum Voted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$ 76,015,133
Net Indebtedness Subject to 10-1/2% Debt Limitation		23,636,600
Legal 10-1/2% Margin		\$ 52,378,533
5-1/2% of Valuation (Maximum Unvoted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$ 39,817,451
Net Indebtedness Subject to 5-1/2% Debt Limitation		23,636,600
Legal 5-1/2% Margin		\$ 16,180,851

CITY OF LAKEWOOD, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2000

Jurisdiction	Gross Indebtedness (Bonds & Bond Anticipation Notes)	Percentage Applicable to City *	Estimated Debt Applicable to City
City	\$ 38,430,000	100.00%	\$ 38,430,000
Lakewood School District	14,460,000	100.00%	14,460,000
Cuyahoga County	231,044,636	2.85%	6,584,772
Greater Cleveland Regional Transit Authority	<u>98,030,000</u>	2.85%	<u>2,793,855</u>
	<u>\$ 381,964,636</u>		<u>\$ 62,268,627</u>

* The percentage of Gross Indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivision's assessed valuation within the City by its total assessed valuation.

CITY OF LAKEWOOD, OHIO
 Ratio of Annual Debt Principal Expenditures for General
 Bonded Debt * to Total General Fund Expenditures
 Last Ten Fiscal Years

Fiscal Year	Debt Principal Expenditures	General Fund Expenditures	Ratio of Debt Principal to Total General Fund Expenditures
1991	\$ 933,500	\$ 22,105,455	4.22%
1992	928,500	23,653,418	3.93%
1993	983,500	23,068,289	4.26%
1994	988,500	24,167,093	4.09%
1995	1,094,000	25,273,570	4.33%
1996	879,000	26,575,581	3.31%
1997	1,004,000	25,693,347	3.91%
1998	9,484,800 (1)	25,735,146	36.86%
1999	1,134,400	27,130,712	4.18%
2000	1,232,800	28,437,512	4.34%

* General obligations supported from Debt Service Fund, which excludes special assessments and enterprise obligations.

1 Includes \$8,170,000 of advance refunded general obligation principal

CITY OF LAKEWOOD, OHIO
Principal Real Property Taxpayers
December 31, 2000

Taxpayer	2000 Assessed Valuation (Tax Duplicate) for Collection in 2001	Percentage of Total Assessed Valuation
1. Cleveland Electric Illuminating Company	\$ 11,548,580	1.42%
2. Ohio Bell Telephone Company	8,109,080	0.99%
3. Lake Erie Screw Corporation	5,575,150	0.68%
4. Lakewood Operating Associates	4,245,570	0.52%
5. East Ohio Gas Company	4,123,320	0.51%
6. UCAR Carbon Company	3,630,290	0.45%
7. Lakewood Association Limited Partnership	3,049,870	0.37%
8. Advanced Ceramics Corporation	2,405,500	0.30%
9. City of Lakewood	2,301,890	0.28%
10. Castlewood Association	1,883,840	0.23%
	\$ 46,873,090	5.75%
Total assessed valuation	\$ 815,322,782	

Assessed valuation is based upon a review of the 25 largest parcels in the City. The total valuation listed for each taxpayer does not include all parcels owned by the entity in the County.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Residential Construction Value	Commercial Construction Value	Bank Deposits in the County [^] (in thousands)	Deposits of Financial Institutions headquartered in the City * (in thousands)
1991	\$ 5,221,069	\$ 6,314,663	\$ 18,392,243	\$ 685,337
1992	5,411,889	7,515,155	19,400,000	758,500
1993	4,962,412	8,248,209	21,009,421	801,347
1994	6,363,567	6,155,776	21,101,872	541,527
1995	6,148,509	6,557,742	22,694,304	615,975
1996	7,587,079	4,361,563	27,068,211	675,661
1997	6,921,499	3,427,818	53,941,971	722,417
1998	8,167,951	5,911,359	58,904,596	757,514
1999	6,613,136	5,928,044	57,816,942	796,092
2000	8,492,331	7,501,961	61,942,764	833,343

[^]Federal Reserve Bank of Cleveland (Total Demand, Time and Savings Deposits) for banks headquartered in Cuyahoga County, Ohio.

*First Federal Savings and Loan Association of Lakewood (headquartered in Lakewood, Ohio)

CITY OF LAKEWOOD, OHIO
Revenue Bond Coverage - Water System Mortgage
Revenue Bonds

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirements (3)	Coverage
1991	\$ 5,670,811	\$ 4,386,046	\$ 1,284,765	\$ 414,758	1.88
1992	5,608,876	4,830,272	778,604	439,850	3.82
1993	6,713,248	5,033,591	1,679,657	437,895	2.69
1994	7,169,384	5,992,506	1,176,878	426,270	4.56
1995	7,976,981	6,035,217	1,941,764	657,896	2.06
1996	7,451,692	6,095,646	1,356,046	635,645	2.53
1997	7,857,587	6,250,920	1,606,667	649,175	2.31
1998	8,466,107	6,966,612	1,499,495	650,788	2.74
1999	8,780,617	6,994,242	1,786,375	645,893	3.16
2000	8,563,531	6,523,005	2,040,526		

1 Gross revenues include operating revenues, intergovernmental revenues and interest income.

2 Direct operating expenses include operating expenses less depreciation.

3 Annual debt service requirements include principal and interest on revenue bonds issued in 1991 and 1995.

CITY OF LAKEWOOD, OHIO
Insurance Summary

Type of Coverage	Carrier	Liability Limits	Deductible	Effective Date
Comprehensive Municipal Liability Coverage	Specialty National	\$ 1,000,000	\$ 0	10/01/00
		\$ 3,000,000	\$ 0	10/01/00
Automobile Liability	Specialty National	\$ 1,000,000	\$ 0	10/01/00
			\$ 250	10/01/00
			\$ 1,000	10/01/00
Police Professional Liability	Specialty National	\$ 1,000,000	\$ 5,000	10/01/00
Public Officials Errors and Omissions	Specialty National	\$ 1,000,000	\$ 5,000	10/01/00
Health Department Professional Liability	St. Paul Fire & Marine	\$ 1,000,000	\$ 0	10/01/00
		\$ 3,000,000	\$ 0	10/01/00
Emergency Medical Service Professional Liability	Specialty National	\$ 1,000,000	\$ 500	10/01/00
Broad Form Crime Coverage	Specialty National	\$ 100,000	\$ 0	10/01/00
		\$ 25,000	\$ 0	10/01/00
		\$ 100,000	\$ 0	10/01/00
		\$ 100,000	\$ 0	10/01/00
Property (Building and Contents)	Specialty National	\$ 85,401,162	\$ 1,000	10/01/00
Inland Marine	Specialty National	\$ 1,500,000	\$ 500	10/01/00
		\$ 250,000	\$ 500	10/01/00
Boiler & Machinery	Specialty National	\$ 2,204,231	\$ 500	10/01/00
		\$ 117,656	\$ 500	10/01/00
Blanket Catastrophic Excess	Specialty National	\$ 50,000,000	\$ 5,000	10/01/00
		\$ 10,000,000	\$ 0	10/01/00

All underlying liability exposures with separate limits have additional blanket coverage (umbrella coverage).

CITY OF LAKEWOOD, OHIO
Miscellaneous Statistics

Date of Incorporation 1911
Form of Government Mayor - Council
Area 5.66 square miles
Miles of streets..... 93
Number of street lights 3,554

Fire Protection

Number of fire stations..... 3
Number of firemen and officers 77

Police Protection

Number of police stations..... 1
Number of policemen and officers..... 85

Lakewood Hospital 410 beds

Education (K-5 only):

Number of teachers 134
Number of students 2,988

Municipal Water Department

Number of consumers 14,384
Average daily consumption in cubic feet 842,246
Miles of water mains 111

Sewers

Sanitary sewers 74.53 miles
Storm sewers 65.91 miles
Combined..... 25.28 miles
Total Sewers 165.72 miles

Building permits issued 3,333

Number of full-time employees 565

Number of part-time employees 137

CITY OF LAKEWOOD, OHIO
Demographic Statistics

Population

<u>Census</u>	<u>City</u>	<u>Cuyahoga County</u>	<u>State</u>
1970	70,173	1,721,300	10,652,017
1980	61,963	1,498,400	10,797,630
1990	59,718	1,412,140	10,847,115
2000	56,646	1,393,978	11,353,140

Age Distribution (Per 2000 Census)

	Number	Percentage
Under 5 years	3,340	5.9%
5 – 9 years	3,202	5.6%
10 – 14 years	3,408	6.0%
15 – 19 years	3,327	5.9%
20 – 24 years	4,023	7.1%
25 – 34 years	11,728	20.7%
35 – 44 years	9,364	16.5%
45 – 54 years	7,378	13.0%
55 – 59 years	2,245	4.0%
60 – 64 years	1,743	3.1%
65 – 74 years	3,207	5.7%
75 – 84 years	2,584	4.6%
85 years and over	1,097	1.9%
Total	56,646	100.0%

Median Age = 34.2 years

Population by Gender

Males	27,275
Females	29,371

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City Of Lakewood, Ohio

SINGLE AUDIT REPORTS

DECEMBER 31, 2000

CITY OF LAKEWOOD, OHIO

FOR THE YEAR ENDED DECEMBER 31, 2000

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**Report On Compliance And On Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Honorable Mayor Madeline Cain and
Members of the City Council of the
City of Lakewood, Ohio

We have audited the financial statements of the City of Lakewood, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated June 6, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lakewood's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of the City of Lakewood in a separate letter dated June 6, 2001

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lakewood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Lakewood in a separate letter dated June 6, 2001.

This report is intended solely for the information and use of the management, City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cinni P. Parnowski, Sr.

Cleveland, Ohio
June 6, 2001

**Report On Compliance With Requirements Applicable To Each
Major Program And On Internal Control Over Compliance
In Accordance With OMB Circular A-133**

Honorable Mayor Madeline Cain and
Members of the City Council of the
City of Lakewood, Ohio

Compliance

We have audited the compliance of the City of Lakewood, Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The City of Lakewood's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Lakewood's management. Our responsibility is to express an opinion on the City of Lakewood's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lakewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Lakewood's compliance with those requirements.

In our opinion, the City of Lakewood complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the City of Lakewood is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lakewood's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City of Lakewood, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated June 6, 2001. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the management, City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cinni P. Caruso, Sr.

Cleveland, Ohio
June 6, 2001

CITY OF LAKEWOOD, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2000

Program Title Federal Grantor and/or Pass-Through Grantor	Federal CFDA No.	Pass-Through Entity Number	Program or Award Amount	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture Passed-Through the Western Reserve Area Agency on Aging Nutrition Program for the Elderly	10.570	N/A	30,860	-	30,860	-	30,860
U.S. Department of Housing and Urban Development Direct Program Community Development Block Grant	14.218	B-99-MC-39-007	1,764,291	1,764,291	-	1,764,291	-
Community Development Block Grant	14.218	B-00-MC-39-007	<u>2,551,000</u>	<u>78,103</u>	-	<u>78,103</u>	-
Total Community Development Block Grant			4,315,291	1,842,394	-	1,842,394	-
Emergency Shelter Grant	14.231	S-98-MC-39-0007	157,035	129,173	-	129,173	-
Passed-Through Cuyahoga County Housing Consortium HOME Investment Partnerships Program Grant	14.239	M-98-DC396216-AC	517,069	341,749	-	341,749	-
Total U.S. Department of Housing and Urban Development			4,989,395	2,313,316	-	2,313,316	-
U.S. Department of Health and Human Services Passed through the Western Reserve Area Agency on Aging Medical Assistance Program (Passport Services)	93.778	N/A	103,763	103,763	-	103,763	-
Special Programs for the Aging – Title IIIB	93.044	N/A	151,664	151,664	-	151,664	-
Special Programs for the Aging – Title IIIC	93.045	N/A	<u>45,993</u>	<u>12,019</u>	<u>45,993</u>	<u>12,019</u>	<u>45,993</u>
Total U.S. Department of Health and Human Services			301,420	267,446	45,993	267,446	45,993

The accompanying notes are an integral part of this schedule

CITY OF LAKEWOOD, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Program Title</u> <u>Federal Grantor and/or Pass-Through Grantor</u>	<u>Federal</u> <u>CFDA No.</u>	<u>Pass-Through</u> <u>Entity Number</u>	<u>Program</u> <u>or Award</u> <u>Amount</u>	<u>Receipts</u>	<u>Non-Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Non-Cash</u> <u>Expenditures</u>
U.S. Department of Justice Direct Program							
Local Law Enforcement Block Grant	16.592	00-LB-VX-2286	<u>22,093</u>	<u>22,093</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total – U.S. Department of Justice			<u>22,093</u>	<u>22,093</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>5,343,768</u>	<u>2,602,855</u>	<u>76,853</u>	<u>2,580,762</u>	<u>76,853</u>

The accompanying notes are an integral part of this schedule

CITY OF LAKEWOOD, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City of Lakewood's (the City) federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE 2 - SUBRECIPIENTS

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE 3 – MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support Federally funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE 4 - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND HOME PROGRAM GRANTS

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2000, the gross amount of loans outstanding under this program is \$3,433,002. The Emergency Shelter grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

CITY OF LAKEWOOD, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 – U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The U.S. Department of Health and Human Services grants are passed through the Western Reserve Area Agency on Aging.

NOTE 6 – U.S. DEPARTMENT OF JUSTICE

The U.S. Department of Justice grant is a direct grant.

NOTE 7 – FOOD DISTRIBUTION

Non-monetary assistance, such as meals received from the Western Reserve Area Office on Aging, is reported in the Schedule at the value of \$1.85 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$.54 per meal and the U.S. Department of Health and Human Services allocates \$1.31 per meal. For the year ended December 31, 2000, the City served 35,109 and 22,040 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$30,860 and the U.S. Department of Health and Human Services allocation was \$45,993.

CITY OF LAKEWOOD, OHIO

SCHEDULE OF FINDINGS OMB CIRCULAR A-133, SECTION .505

DECEMBER 31, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant; CFDA # 14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(I)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

CITY OF LAKEWOOD, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133, SECTION .315(b)

DECEMBER 31, 2000

There were no prior audit findings.

CITY OF LAKEWOOD

**12650 DETROIT AVENUE
LAKEWOOD, OHIO 44107
(216) 529-6093**

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
FOR THE YEAR ENDED DECEMBER 31, 2000

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
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Not Applicable

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140
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CITY OF LAKEWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2001**